

AGRICULTURAL OUTLOOK

UNITED STATES DEPARTMENT OF AGRICULTURE • ECONOMIC RESEARCH SERVICE • AO-17

1967=100

120

100

80



FARM OUTPUT INDEXES (1962 - PRELIMINARY 1976)

DECEMBER 1976

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AO-17

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STRONG DEMAND TO BOLSTER FARM PRICES AND INCOME IN 1977

Large supplies of crops and near-record livestock production are expected in the coming year. However, an expanding domestic market and another year of near-record exports will help maintain prices and farm incomes in 1977 by offsetting the large supplies.

Crop supplies—except for soybeans, cotton, and some fruits and vegetables—will continue large relative to demand in the 1976/77 marketing year. Output of livestock products will be large but will likely taper off and decline later next year if cattle numbers drop and beef production is reduced as expected. Prospects for next year's crops are, of course, uncertain at this time. But barring unexpected weather developments, the crops should be large again, with some shifts in the acreage of major crops. There are no program restraints for major crops, and large supplies of fertilizer and other inputs are available.

U.S. growers are completing the harvest of this year's large crops, giving us two big harvests back-to-back. Livestock production also is at a record rate culminating a recovery from the depressed output rate early in 1975. With large supplies, an expanding domestic mar-

ket, and record exports, returns to farmers in the 1975/76 marketing year were the third highest of record. But big supplies and lower prices resulted in losses for some cattlemen and farmers in drought areas.

Currently, farm prices and incomes are running at a rate somewhat below earlier this year and below the last half of 1975. Recent price weakness is expected to bring net farm income this calendar year down from earlier estimates to around the 1975 level—with a modest gain in realized net farm income and a small decline in total net income, if declining cattle numbers about offset increases in inventories of other livestock and some crops.

In looking ahead to the latter part of 1977, returns to farmers will likely be better than the last half of 1976 and early 1977. This suggests that for calendar year 1977, average net farm income may be much the same as this year.

Major uncertainties for 1977 center about the expansion in domestic markets, upcoming farm legislation, growing food grain stocks, and the impact of the downswing in the cattle cycle on supplies and prices of meats. Coupled with the usual weather and growing

condition uncertainties, these factors can have major impacts on the general prosperity of U.S. farmers, especially later in 1977 and in 1978.

Domestic Demand Points Up

Consumer buying power and the demand for food, textiles, and other finished goods of farm origin have expanded rapidly over the past year. This expansion reflects the recovery in the economy from the most severe economic recession in the past quarter century. The economy absorbed last year's big crop and a rapidly expanding output of fed beef, poultry, pork, and dairy products. Per capita use of food this year will increase more than 2 percent from 1975 with most of the gain in beef and poultry. Larger supplies have lowered the price of farm food commodities and essentially stabilized retail food prices in 1976, despite expanding domestic demand. Per capita nonfood use of farm products also has increased, with mill use of fibers up around a tenth from 1975.

The U.S. economy is still moving toward greater stability. Although the pace of recovery may be somewhat slower than earlier expected, the recov-

FARM INCOME, MARKETINGS, AND PRICES

Item	1973		1974		1975		1976	
	Marketing year ¹	Calendar year	Marketing year ¹	Calendar year	Marketing year ¹	Calendar year	Marketing year ¹	Calendar year ²
1967=100								
Volume of farm marketings	113	113	114	111	112	115	120	121
Livestock	104	105	105	104	105	106	111	112
Crops	125	126	127	121	123	128	132	133
Prices received by farmers	165	179	191	192	187	186	189	187
Livestock	172	183	172	165	164	172	182	177
Crops	158	175	212	224	213	201	198	200
\$ Bil.								
Cash receipts from farming	78.2	87.1	92.7	92.6	90.3	89.6	94.5	95
Livestock	43.0	46.0	43.9	41.4	40.9	42.9	47.5	47
Crops	35.2	41.1	48.1	51.2	49.4	46.6	47.0	48
Nonmoney and other farm income ³	8.6	8.4	7.8	7.6	8.4	8.6	9.0	9
Realized gross farm income	86.8	95.5	100.5	100.2	98.7	98.2	103.5	104
Farm production expenses	60.2	65.6	71.1	72.9	75.3	75.5	79.0	80
Realized net farm income	26.6	29.9	29.4	27.8	23.4	22.7	24.5	24
Net change in farm inventories	2.2	3.4	.8	-1.3	.9	2.9	1.2	—
Total net farm income	28.8	33.3	30.2	26.5	24.3	25.6	25.7	—

¹ October-September year ending with year indicated. ² Forecast.

³ Includes government payments to farmers, value of farm products

consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work.

U.S. EXPORTS OF SELECTED CROPS

Commodity	Cumulative through October of marketing year			Marketing year ¹		
	1974	1975	1976	1974/75	1975/76	1976/77
Million bushels						
Corn	65	134	² 168	1,149	1,711	1500-1700
Wheat	425	555	² 472	1,018	1,173	950-1150
Soybeans	55	87	² 81	421	555	510-570
Million bales						
Cotton .....	.54	.84	³ .84	3.9	3.3	4.0-4.6

¹ Year beginning June 1 for wheat, August 1 for cotton, September 1 for soybeans and

October 1 for corn. ²October data based on inspections for export. ³October estimated.

ery is reasonably consistent with this phase of past cycles. Employment has increased, although not rapidly enough to accommodate the post World-War-II baby boom plus the growing percentage of women moving into the work force. Price inflation continues to slow due largely to the slower rise in retail food prices. Prices of nonfarm goods continue to rise at about twice the rate of food prices. An easing of inflationary pressures can be a major force in restoring the confidence of consumers and investors and in bringing about a well-balanced recovery in the economy.

Expanding employment, rising after-tax incomes, and gains in real consumer buying power will expand domestic demand and bring further gains in food consumption, in the demand for fibers and other nonfoods, and in the use of feed for livestock.

Foreign Markets for Farm Products Remain Strong

Foreign markets for U.S. farm products are still promising despite general improvement in world grain crops. World grain production in 1976/77 is expected to total around 6 to 8 percent larger than a year earlier. Wheat, in particular, is in abundant supply, with the world crop projected up about 15 percent from 1975/76. Much of the gain in the world grain crop is in the USSR where the larger crop may cut Soviet purchases from 1976 crops by about half of last year's total.

A 15 to 20-million-metric-ton decline in world grain trade is expected in the 1976/77 marketing year, so U.S. grain exports will face stiff competition from larger exportable supplies abroad. On the other hand, exports are being supported by economic recovery in both developed and developing countries, and by the need in many countries overseas to

rebuild their grain stocks.

U.S. grain exports in 1976/77 (October-September) may be down from record year-earlier shipments of 83 million tons, and grain export prices will likely average lower. Soybean exports are likely to decline because of smaller domestic supplies. However, strong recovery is expected for exports of cotton. The total volume of agricultural exports will likely be down some from the record volume shipped in 1975/76. But with tight supplies and higher market prices for soybeans, fibers, and some other products, the value of U.S. agricultural exports is expected to about match the record level of 1975/76.

Larger Livestock Supplies Weaken Prices

Last year an expanding domestic market, big gains in prices of livestock products, and the record 1975 grain crop initiated a sharp upturn in livestock feeding. By the closing months of 1975, farmers were placing more cattle on feed, increasing their pig crops, raising more broilers, and feeding more grain to their dairy cows. This stepup in feeding led to increases in production of livestock products that extended through 1976. The gains have been rapid enough

to reduce animal product prices this year despite the expanding domestic market.

In the first half of 1976, the market was taking about 10 percent more beef and 14 percent more poultry than a year earlier. Livestock product prices averaged a little below the strong prices of the last half of 1975 but were still 14 percent above a year earlier. Part of the strength in demand for beef and poultry in the first half of this year was due to the low level of pork output.

Output of livestock products continued to expand in the July-December period this year. The increase reflected a big gain in pork and milk output and further but slower advances in beef and poultry production. Combined output is rising more than 7 percent above second half 1975, putting downward pressure on prices of all major livestock products. Accordingly, prices in July-December this year may average around 7 percent below a year earlier.

Beef output continues to expand, but losses by cattle feeders much of this year led to reduced placements of cattle on feed this summer. Along with the downphase of the cattle cycle, this is expected to lead to less beef output next year and strengthening cattle prices. But the sharp upturn in hog production from mid-1976 will extend at least through mid-1977 at a rate about a fifth above a year earlier. Broiler output and milk production also are expected to rise further early in 1977, but much more slowly if the expected tightening price-cost squeeze reduces producer returns. The sizable gain in pork output, and a little more poultry, about match the expected cutback in beef output in first half 1977.

By the last half of 1977, tonnage of meat and poultry produced could run a little below the last half of this year. This tapering off in supplies of meats and poultry, with an expanding domestic market, should strengthen livestock product prices later next year. The gain in milk production also is expected to slacken in the coming year as lower milk prices and the return to surpluses of some dairy products slow output gains.

PRODUCTION AND PRICES OF LIVESTOCK PRODUCTS

Commodity	1974	1975	1976	1977
Beef (bil. lb.)	22.8	23.7	25.6	23.8
Pork (bil. lb.)	13.6	11.3	12.0	13.5
Broilers (bil. lb.)	7.9	8.0	9.0	9.1
Milk (bil. lb.)	115.6	115.5	119.6	120.6
Eggs (bil. eggs)	66.1	64.3	64.8	65.9
Total output (1974=100)	100.0	98.0	104.1	103.6
Prices received by farmers (1967=100)	165	172	177	175

Cattle Inventory Continues To Decline

After peaking at around 132 million head on January 1, 1975, cattle numbers are continuing downward. Cattle and calf slaughter this year is likely to rise slightly from 1975's high level, reaching around 48½ million head. This compares with an average of some 39 million head in 1970-74 when cattle numbers were expanding. This year's slaughter will represent about 38 percent of the beginning inventory, up 2 percentage points from 1975. These slaughter levels point to a cattle inventory of around 121 million head next January 1, about 5 percent below a year earlier.

Commercial cattle slaughter this year may reach nearly 43 million head, up 5 percent from 1975, led by the 20-percent rise in fed cattle marketings. Although remaining at a relatively high level, total slaughter of nonfed cattle, cows, and bulls is down from last year's high level. Fed cattle will likely account for about 59 percent of commercial slaughter in 1976, up from a little over half last year but still way below 1972-73's 75-percent.

Feeding losses during much of 1976 caused feedlot operators to cut back placements 7 percent during the summer. The continued squeeze in cattle feeding may hold feedlot placements this fall slightly below a year

ago. However, adequate feed and feeder cattle supplies, coupled with some improvement in fed cattle prices, appear adequate to support some increase in placements in 1977—up possibly 5 to 6 percent in the first half and perhaps somewhat more after midyear. Such a placement pattern points to fed cattle slaughter moderately under 1976 levels in the winter, somewhat smaller in the spring and summer, but rising slightly above year-earlier levels in the fall. For all of 1977, fed cattle slaughter might be down a little from 1976's 25¼ million head.

The current downphase of the cycle and a smaller cattle inventory indicates that 1977 slaughter of non-fed cattle and cows could continue to decline from this year's levels. However, pasture and range conditions next summer and fall will play a key role in determining cow culling.

This adds up to a 1977 total cattle slaughter about 5 to 10 percent below 1976. Fed cattle may make up a slightly larger share of total slaughter than 1976's 59 percent.

The 1977 calf crop may not be much greater than this year. If this is the case and slaughter runs in line with current expectations, usual death losses and other minor inventory items would push the January 1, 1978, cattle inventory down another 2 to 4 million head. (Richard Crom)

Crop Supplies Generally Large

Dry weather in a few areas reduced this year's crop from the big gains indicated earlier in the season. However, despite drought problems, grain crops in general are as large as the big 1975 crop. In addition, stocks carried into the 1976/77 marketing year were larger, but most of the increase was in wheat. Wheat supplies are large relative to prospective markets, and mid-November market prices (No. 1 Hard Winter, Kansas City) averaged over a fourth below a year ago. Corn prices (No. 2 Yellow, Chicago) were running around a tenth lower. But reduced production of hay and forage crops has materially tightened supplies and increased hay prices compared with last fall.

This year's soybean crop was off 18 percent from 1975. This reduction materially tightened supplies relative to demand, and market prices (No. 1 Yellow, Chicago) in mid-November were running almost 40 percent above a year earlier.

The U.S. cotton crop is about a fifth larger than last year. Increased domestic use and a strong foreign market have reduced carryin stocks and sharply increased cotton prices. The market price of cotton (spot market, 1-1/16 inch) was up about 50 percent from mid-November last year.

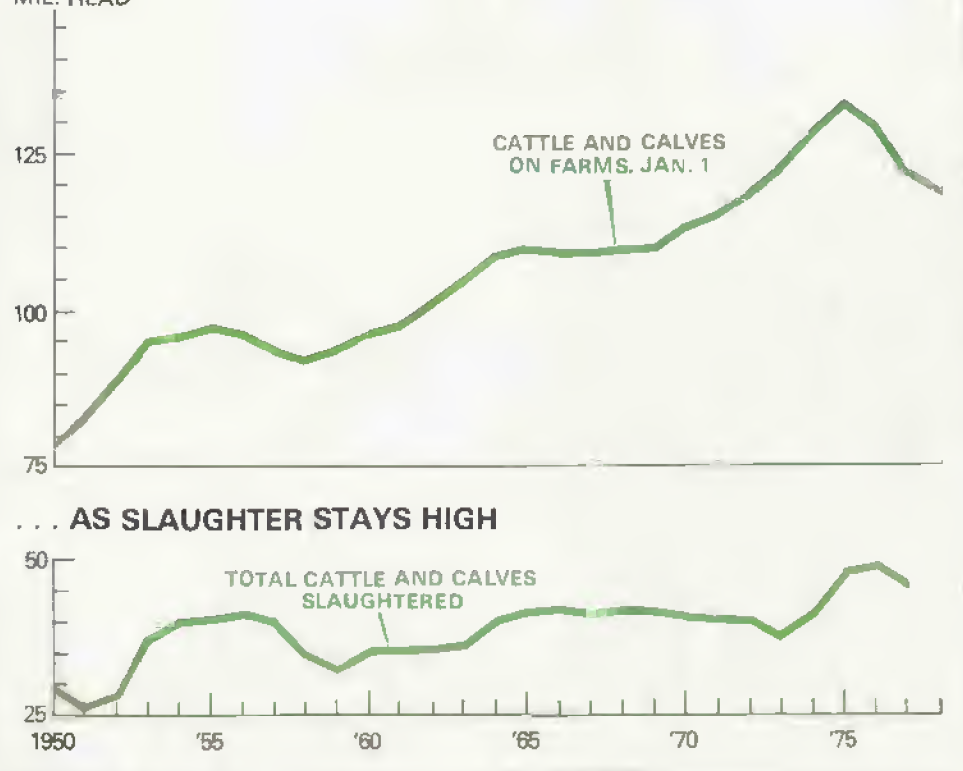
Although the outcome for some fruit and vegetable crops is still uncertain, it appears that combined crop output this year will fall a little short of the big 1975 crop. Production of crop food commodities will be down, perhaps 2 or 3 percent from 1975. However, production of nonfood crops may be up some since the larger cotton crop will offset the reduced output of tobacco, hay, and forage.

In looking ahead to the coming year, the crop supply picture is mixed. Grain supplies look large enough to provide for expected increases in domestic use and exports near the record volume shipped in 1975/76. Wheat prices will likely continue lower and the season-average price for corn may be a little below last year's \$2.55-per-bushel average. Wheat supplies are large and prices are low enough relative to feed grains that a sizable increase is expected in the feeding of wheat.

Feed use of all grains will increase further in the coming year, but perhaps only about half as much as the 10-percent increase estimated for the 1975/76 feeding year. The big output increases underway for hogs will require substantially more grains for feed. However, prospective cuts in beef production and slower gains in production of poultry and milk will operate to moderate the demand for feed grains in the 1976/77 feeding year.

CATTLE INVENTORY WILL CONTINUE TO DECLINE . . .

MIL. HEAD



. . . AS SLAUGHTER STAYS HIGH

FARM PRICES RECEIVED WEAKEN SINCE SUMMER



Exports of wheat and the major feed grains may fall a little short of their record 1975/76 volume. Thus, prospective use points to a further buildup in wheat stocks but a somewhat closer balance for corn. Soybean and cotton supplies will continue tight and stocks will likely be drawn down to minimum operating levels by the end of the 1976/77 season.

Crop prices overall for the 1976/77 marketing year (generally October-September) may average a little above

1975/76 prices, barring the unexpected in U.S. and world crop developments. The gain would reflect prospects for higher prices of soybeans, fibers, tobacco, and some fruits and vegetables, but lower grain prices.

1977 Plantings: More Soybeans and Cotton, Less Corn

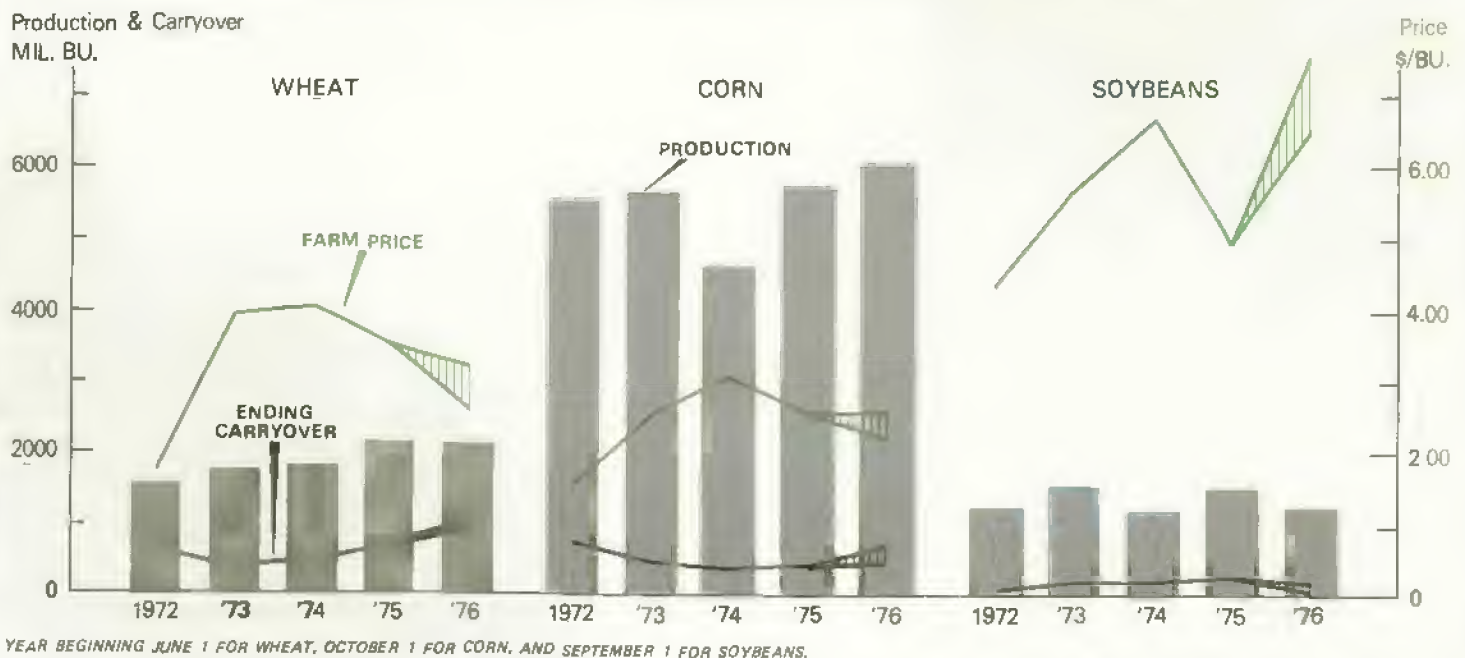
Crop and livestock product prices, livestock feeding and breeding plans, and producers' management of their

inventories by next summer all hinge importantly on the size and progress of the 1977 crop. Despite many uncertainties for next year's crops, some projections can be made about the size and mix of crops.

Again this year, there will be no restrictions on plantings of the major crops. Our appraisals of how producers respond to program and economic incentives point to increased plantings of soybeans. The increase may be as much as 4 or 5 million acres above the 50 million planted this year. Plantings of cotton also are expected to be larger—perhaps totaling 12 to 13 million acres compared with this year's 11.8 million—in response to cotton's continuing tight supply-demand situation.

Acreage planted to corn and other feed grains will likely decline some from the large 1976 plantings. Early indications of price relationships suggest that combined plantings of feed grains may be down 4 million acres from the 129 million seeded in 1976, with corn accounting for most of the decline. Much of the decline will reflect a loss of acreage to soybeans and possibly cotton in some areas. Although little overall change is now expected in plantings of wheat from acreage seeded for 1976's harvest, depressed wheat prices may bring adjustment in spring plantings and in areas which have efficient alternatives for wheat. Even if we correctly anticipate the changing mix for major crops and perhaps a small increase in total acreage, weather conditions, as well as disease and insect infestations, could have a large impact on the outcome of 1977 crops.

LARGE 1976/77 GRAIN CROPS WILL BOOST CARRYOVER; SOYBEAN SUPPLIES TIGHT



Modest Rises in Food Prices Likely

Average prices paid by consumers for food purchased in grocery stores have been relatively stable during 1976. Big supplies of crops and expanding output of livestock products helped dampen upward pressures on retail food prices.

This stability in retail prices for food used at home is expected to continue into the early months of 1977. However, some firming in farm prices is likely by next spring if domestic demand increases as expected and output of livestock products tapers off and declines modestly later next year. Costs of processing and marketing food will continue to rise in 1977. Farm-to-retail margins are relatively wide but increases will likely slow some if prices at the farm increase next year. Even with some slackening in the rate of increase in farm-to-retail price spreads, retail prices for food used at home probably would begin to increase by next spring.

Prices paid for food in restaurants and for other "away from home" uses will average about 7 percent higher this year and perhaps average another 5 or 6 percent higher in 1977. Away-from-home eating accounts for more than a fifth of the overall weight in the retail food price index. Combining indications for retail prices for food used in the home and for away-from-home eating suggests an all-food retail price index for 1977 averaging some 3 or 4 percent above the average for this year.

Farm Income May Hold About Steady in 1977

The substantial gains in output and volume of farm marketings, with big gains in livestock receipts in late 1975 and first half 1976, resulted in a record gross income flow to farmers in 1975/76 (October-September). However, rising production costs limited gains in net farm income compared with earlier record years. Nonetheless, net incomes of farmers in 1975/76 were well above the relatively low returns in 1974/75 and were the third highest of record.

Even with the recent slack in prices, a fairly strong demand has been associated with the record supplies of livestock products moving into markets. This is helping to maintain gross income in the closing months of this year despite the larger supplies. As a result, the gross farm income flow for calendar 1976 will likely total 5 or 6 percent larger than in 1975.

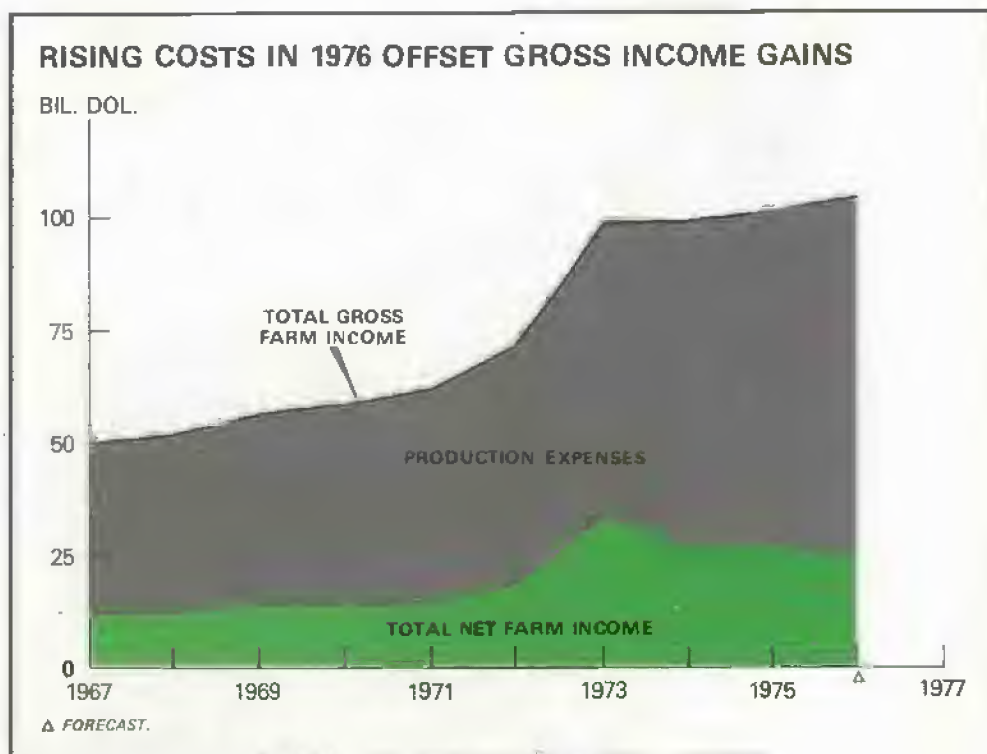
In the coming year, the volume of marketings will rise more slowly, at least until 1977 crop developments begin to influence markets. Price changes will be mixed in calendar 1977 but may average much the same as in 1976 for both livestock products and crops, depending importantly on the outcome of 1977

crops. Indicated changes in marketings and prices for 1977 suggest further gains in gross farm income, with increases over this year most likely for livestock products.

The slower rise in farm production expenses this year reflects lower prices for fertilizer and seed and relatively small gains for chemicals and feed. Prices paid for production items, interest, taxes, and wages in October averaged about 4½ percent above a year earlier, compared with a 9-percent differential at the beginning of 1976.

allowance for inventory change, is still very tentative. Inventories of crops and livestock, other than cattle, will likely increase modestly. However, the downward trend in cattle numbers may be offsetting. Prospective inventory developments tentatively point to some decline in total net income from 1975.

Net farm income in 1977, suggested by prospective marketings and prices, is expected to hold close to the average of recent years. The expected modest gain in gross income and the slower rise in production expenses would suggest little



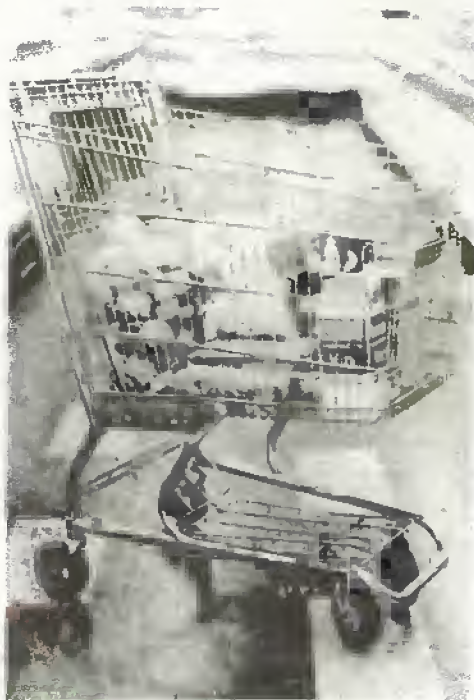
With this slowing in input price gains, farm production expenses this year may total around 5 to 6 percent above 1975. The slower rise in input costs is expected to extend into 1977. Fertilizer and chemical supplies are large enough to suggest steady to slightly lower prices in the coming year. Outlays for purchased feed and livestock also may change little. However, with the cost increases indicated in 1977 for farm machinery, fuel, hired labor, interest, and taxes, farm production expenses will rise, perhaps about as rapidly as this year.

The net income position of farmers this year is essentially unchanged from 1975, although cattlemen as well as farmers in drought areas did not fare as well. Realized net farm income this year is forecast at around \$24 billion, compared with nearly \$23 billion in 1975. Total net farm income, including an

change in net farm income again next year. But this is a highly tentative projection that depends heavily on the outcome of 1977 crops. With average growing conditions next year and no big surprises in world markets, net farm income in a \$23 to \$25-billion range is a reasonable projection.

Net incomes of farmers are down from the highs of 1973 and 1974, but are about double the dollar income levels of the late 1960's. Much of the gain in the dollar income flow to farmers, as is the case for most industries, is due directly to higher prices. After accounting for increases in prices paid by farmers for family living items, their real purchasing power is up only about a tenth since the late 1960's.

(Based on "Agricultural Outlook for 1977," a talk by Rex Daly at the National Agricultural Outlook Conference).



FOOD AND MARKETING

The current food situation is highlighted by large supplies due to generally large crop harvests and heavy output of livestock and poultry products. Demand is relatively strong both here and abroad, and marketing costs are rising about in line with inflation in the general economy. All this adds up to the relative stability we've seen in retail food prices this year.

The 1977 outlook is for continued generous food supplies. Prices will start the new year fairly stable but may begin to increase in the spring, if beef supplies tighten as expected. Demand expansion and rising marketing costs will also put upward pressure on food prices.

Food Supplies More Plentiful

A significant expansion in livestock and poultry supplies and larger January 1 inventories of crop-related foods are offsetting slightly smaller production of crop foods. For major field crops, wheat production is near last year's record and the corn crop is record large. However, the soybean crop is down because of smaller plantings and drought-reduced yields.

Among other crop foods, supplies of sugar and sweeteners are much larger this year, and fresh and processed potatoes and sweet potatoes are currently in adequate to plentiful supply. The important fall potato crop is record large and should be adequate for domestic use and expanded exports. Tonnage of processing vegetable crops will be the smallest since 1972, but carryover stocks will keep canned and frozen supplies large enough for domestic use. The cit-

rus crop is expected to be well above last year's record, while noncitrus tonnage is down moderately. Some imported foods and a few fishery products are in tighter supply.

Livestock and poultry product supplies are well above a year ago, reflecting the record 1975 feed crop and favorable feed prices in relation to livestock and poultry product prices. Rising pork output combined with large beef production pushed meat output to very high levels this summer. For the year, output of animal products is likely to exceed 1975 by 5 to 6 percent, with larger supplies of beef, pork, broilers, turkeys, and milk.

Food Prices Stable

With food supplies outpacing demand, commodity prices at the farm and wholesale levels have been easing since the summer of 1975, causing a decline in returns to farmers for food products. This fall, the farm value of the market basket of farm food commodities will be well below a year ago and, for the year, will average nearly 4 percent below 1975. Livestock-related foods—particularly meat animals—have shown the greatest decline. Crop-related foods generally have been under less downward price pressure.

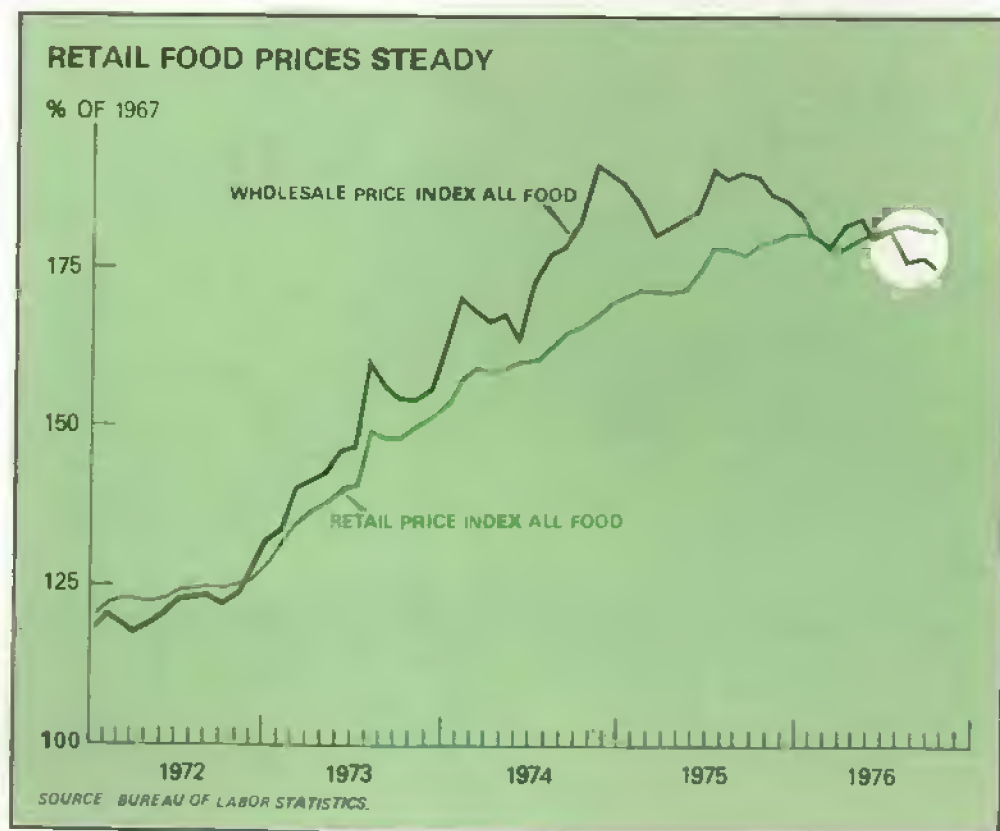
Although the farm value of the food market basket has declined over the past year, the retail cost of the basket of farm foods is averaging slightly higher in 1976. A rise of about 5 percent in the farm-retail spread is accounting for the

small rise in the retail cost of domestically produced foods. While the spread is widening this year because of higher marketing costs—largely reflecting wage settlements and higher packaging and transportation costs—the expected increase is only about half 1975's 9-percent gain. Among major foods, price spreads have increased the most for those commodities showing the sharpest price declines at the farm, including beef, pork, and bread.

If consumers purchased only domestically produced farm foods from grocery stores, they would pay about 1½ percent more for food this year than in 1975. But consumers also buy imported foods, such as coffee and fishery products. These purchases push average retail food prices up slightly more than 1 percentage point—to an average of nearly 2½ percent over 1975 for all food consumed at home.

Finally, consumers do not purchase their total food needs in grocery stores. They also eat away from home in restaurants and pay for the services of others to prepare and serve meals. This tacks another percentage point onto this year's food price increase.

All told, taking into account farm-produced foods, imported foods, fishery products, and meals eaten away from home, the prices consumers pay for food will average around 3 percent more in 1976 than in 1975. Still, this is sharply below 1975's 8½-percent increase and the lowest annual rate of increase since 1971.



Per Capita Consumption and Consumer Expenditures Rising

With record-large food supplies and higher consumer incomes, U.S. per capita food consumption for all of 1976 is likely to be up a little over 2 percent from 1975 and about the same as the record high of 1972. Consumption of crop foods, where 1976 supplies were supplemented by large carryovers from 1975 crops, may be up slightly over 1 percent, while animal product use may be about 3 percent higher.

Consumer expenditures for food may rise around 7 percent this year, but food spending is not likely to match the rise in disposable personal income. Consequently, the percentage of income spent for food is likely to average slightly less than the 17.1 percent in 1975.

PER CAPITA FOOD CONSUMPTION INDEXES

Year	Animal products	Crops	All food
1967=100			
1970	102.5	103.1	102.8
1971	103.8	102.8	103.3
1972	103.6	104.1	103.8
1973	99.1	105.3	101.9
1974	101.7	103.4	102.5
1975	99.8	104.0	101.7
1976	103.2	104.8	103.9

Food Outlook for 1977

Large food supplies will continue to slow the rise in food prices during the first half of 1977. At the same time, demand expansion and rising marketing costs will put upward pressure on food prices. On balance, a retail food price increase of about 3 percent is in prospect for the first half of 1977.

However, the seasonal pattern of food price movements may shift as 1977 unfolds, mostly due to a reduction in beef supplies. During the first quarter of 1977, a price increase of about 2 percent is expected over a year earlier, mainly reflecting increasing prices for coffee, some produce items, restaurant meals, and higher marketing costs. But by next spring, food price increases may quicken if the economy is strong and beef output declines as expected. Prospective higher farm prices, coupled with upward pressure from rising marketing costs, may lead to food price increases averaging 3 or 4 percent above the spring of 1976.

Crop supplies and livestock product output during the first half of 1977 generally depend on plans and actions already taken by producers. The second half of next year is less certain. On the

crop side, farm prices this winter and next spring, along with growing and harvesting conditions, will influence crop plantings and marketings, and thus crop supplies during the summer and fall of 1977. Relatively favorable crop prices are indicated if demand continues strong as expected, and this should lead to large 1977 plantings, particularly for soybeans.

Prospective 1977 crop developments also will influence production plans for livestock and poultry. Output of animal products in the second half of 1977 may not match current record output rates, but should remain large, especially if supplies and prices of feed are favorable to livestock and poultry producers.

Cattle are a key to the outlook. If fed cattle prices improve this winter and next spring as expected, cattlemen will likely increase placements on feed and reduce the number of animals going to slaughter directly off grass during the first half. This may result in a little

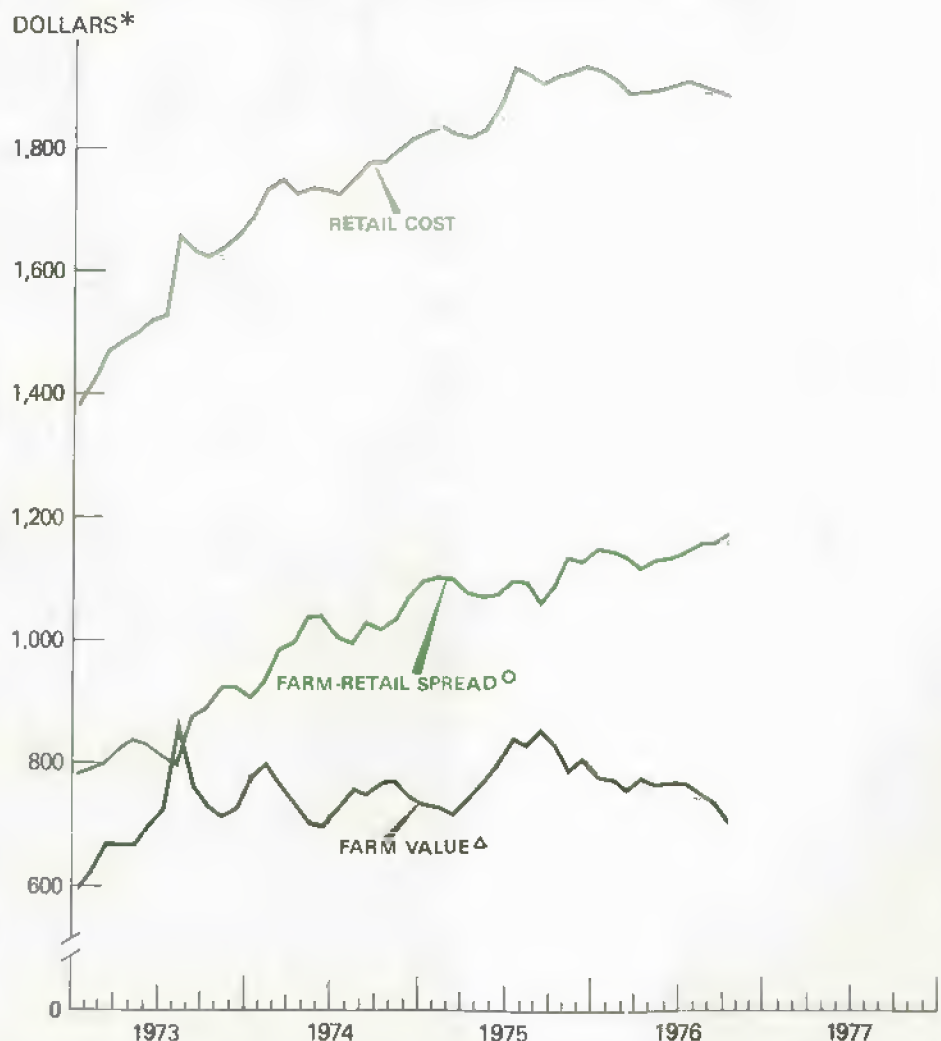
larger beef production in the second half. Coupled with continued relatively large pork, poultry, and milk output, animal product supplies would continue at a high level although below the second half of this year.

On balance, 1977 looks like a year of fairly generous food supplies for consumers, with retail food prices averaging some 3 or 4 percent above the average for this year.

The cost of inputs purchased by food marketing firms continues to increase. However, the rate of increase in farm-to-retail spreads for marketing foods could slow some if farm prices of animal products rise as expected next year. Marketing spreads will average about 5 percent higher this year, a slowing from the gain of 9 percent in 1975.

(Based on "The Outlook for Food Supplies and Prices," a talk by James Donald at the National Agricultural Outlook Conference).

MARKETING SPREAD RISES; FARM VALUE DECLINES



* ANNUAL RATE PER HOUSEHOLD FOR MARKET BASKET OF FARM FOODS.

○ GROSS MARGIN RECEIVED BY MARKETING FIRMS FOR ASSEMBLING, PROCESSING, TRANSPORTING, AND DISTRIBUTING.

△ GROSS RETURN TO FARMERS FOR EQUIVALENT AMOUNTS OF FARM FOODS.

FOOD PRICE AND MARKETING SPREADS UPDATE

Overall retail food prices in October were unchanged from September, and averaged only 1½ percent above a year ago. Prices of nonfood items were up 6½ percent from October 1975. Prices of food consumed away from home continued to rise and were nearly 6½ percent above a year earlier. However, the Consumer Price Index for food eaten at home dipped slightly from September and averaged the same as in October 1975.

The small monthly decline for food at home reflected sharp drops for beef, pork, and poultry, due to increased supplies. Prices for eggs and sugar also fell noticeably. Partially offsetting were sharply higher prices for fresh fruits and vegetables and smaller increases for dairy, fats and oils, and coffee. Prices of other foods stayed about the same. (Larry Summers and Anthony Gallo)

Farm-retail spreads for a market basket of farm foods increased almost 2 percent from September to October as returns to farmers for these foods dropped 3½ percent while retail costs changed little.¹

Although marketing spreads increased for all major food groups in October, increases were greatest for eggs, pork, oilseed products, and lettuce. Decreases in farm values were sharp for hogs, poultry, eggs, wheat, and oilseeds. In contrast, returns increased sharply for lettuce due to unfavorable weather in the primary production area.

The October 1976 farm-retail spread averaged 8 percent wider than a year earlier, with the retail cost of the market basket down almost 2 percent and the farm value down 14 percent.

The farmer's share of the consumer's food dollar spent in retail stores for foods from U.S. farms dropped to the lowest level in 5 years. The farmer's share was 38 cents in October, 1 cent lower than in September and 5 cents below a year earlier. (Henry Badger)

¹The market basket represents the average quantities of U.S. farm-originated foods purchased annually per household in 1960-61. Retail cost of these foods is based on an index of retail prices for domestically produced farm foods, a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products minus allowances for byproducts. The farm-retail spread is the difference between the retail cost and farm value.



TRANSPORTATION

As in 1975, the U.S. transportation system has been handling the 1976 transport needs of agriculture, both domestically and for export, without major disruptions. This is in contrast to the severely strained domestic transportation system and railcar shortages during the 1972-74 period.

There have been, however, a few problems this year. Closure of Locks and Dam 26 on the Mississippi River for 8 days in April created a bottleneck for the movement of grain into export. Low water, instead of the usual spring flood-

ing, on the Mississippi River substantially cut barge capacity for handling grain. In addition, the tight truck supply for the movement of perishables was more widespread and of a longer duration than in recent years.

The general ease that has prevailed during 1976 in the transportation system's ability to move agricultural commodities likely will carry over into 1977 for several reasons. Capacity of suitable railcars and barges is greater now than in 1973; adequate storage at country points means that orderly movements can be made from those areas. Ports have increased their storage and handling capacity, adequate ocean shipping capacity is available at low rates, and the agreement to use some Soviet ships in moving Soviet purchases of U.S. grain minimizes problems in that area. Additionally, the Association of American Railroads and the Interstate Commerce Commission (ICC) are prepared to take remedial action should problems begin to develop. Finally, the unregulated nature of barge traffic in grains and added flexibilities for railroads authorized by the Railroad Revitalization and Regulatory Reform Act of 1976 give the transportation sys-

GRAIN SHIPMENTS

Jan.-Oct.	Barge shipments mil. bu.	Railcar loadings thou. cars
1973	800	1,105
1974	810	1,237
1975	978	1,137
1976	1,329	1,140

RAIL SHIPMENTS OF GRAIN STRONG



△ RAILCAR LOADINGS OF GRAIN. SOURCE: ASSOCIATION OF AMERICAN RAILROADS

tern an ability to adjust to new conditions.

During January-October, barge shipments were up over 35 percent and rail carloadings were nearly the same as a year ago. Barge shipments were about two-thirds higher through June, but have only about matched 1975 shipments since then. On the other hand, shipments by rail since July have been somewhat lower than in 1975. However, inspections for export are beginning to pick up again and there has been only limited congestion at several Gulf ports.

Railcar Shortage Developing

Problems of supplying empty freight cars suitable for carrying grain have occurred seasonally and cyclically for many years. This happens because commodity rates and available railcars are fixed in the short run, but demand for empty cars varies.

During the heavy summer wheat harvest, grain-moving railcars were in good supply with some spot shortages reported for covered hopper cars. Even through September and into early October there was a daily average surplus of around 9,000 grain-shipping boxcars. However, by the end of October and into early November, the boxcar surplus had diminished to around 3,000 cars. At the same time, covered hopper car orders exceeded supply and the 3,500 daily average shortfall in September increased to over 9,000 cars by the end of October.

Rail Rate Increase Expected

The 9 general rail rate increases during the past 3 years have had a substantial impact on agricultural commodities, especially grain exports. The cost of shipping agricultural commodities east of the Mississippi River rose almost 46 percent from early 1974 to late 1976, while export grain rates were up 51 percent.

The railroads are planning another round of freight hikes. They are expected to seek a 4-percent general rate increase effective about January 1, 1977—somewhat less than had been expected. However, the last increase on grains in the West and moving between the West and other rate territories only became effective on October 7.

Transportation costs, bolstered by both rail and truck rate increases, are expected to continue at a high rate through 1976 and into 1977.

Ocean Shipping Capacity Increases

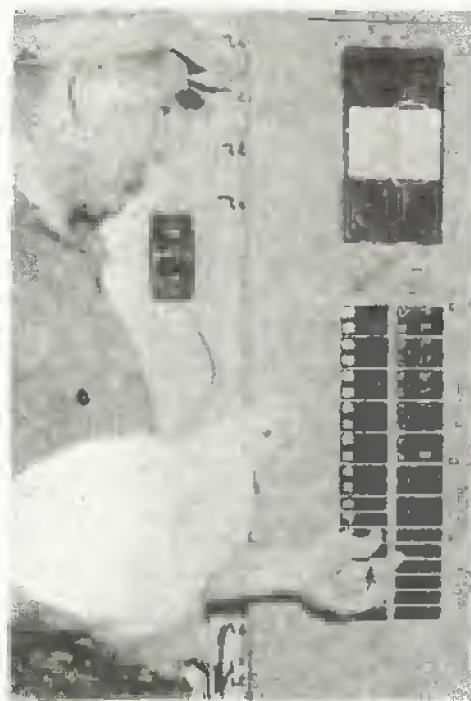
With the large increase in exports of U.S. farm products in recent years, changes in the maritime industry can strongly impact on U.S. agriculture. Agricultural exporters must make

speedy delivery of quality products at competitive prices—factors that all hinge on ocean shipping.

Following a rapid increase in exports during 1972/73, shortages of ocean vessels caused sharp price increases and brought delays in ocean shipping. However, because the world merchant fleet had continued to expand in the face of lessened demand, there was idle ocean vessel capacity by the end of 1975. Thus, there continues to be adequate shipping capacity for U.S. grains with ocean rates relatively low.

The ultimate link in the grain export system is the merchant fleet for the final ocean voyage to foreign markets. By the end of 1975, dry cargo tonnage in freighters and bulk carriers was about 242 million deadweight tons, up from 83 million in 1960. Besides the freighters and bulk carriers, tankers smaller than 100,000 tons can provide substantial capacity for grain shipments, if needed. Their capacity increased from 63 million deadweight tons in 1960 to 302 million tons by 1975.

Grain sales to the USSR have specified use of American ships to carry a percentage of the cargo. However, rates for these U.S. flag vessels (tankers) are usually higher than those for ships under foreign registry. This rate differential, plus the limited capacity of the U.S. bulk fleet, may help explain why U.S. grain movements in general have been dependent on foreign flag vessels. (Jerome J. Hammond)



INPUTS

The 1976/77 outlook for inputs used in producing food and fiber is generally for increased production capacity and larger purchases by farmers. Prices, however, are likely to rise at a slower rate than in recent years, and with larger supplies, fertilizer prices may be steady to lower in the coming year.

The following are some developments that could well impact on the agricultural input situation in the coming season:

- rising costs of farm machinery.
- higher prices for fuel.
- possible barring of some pesticides.
- prospects for big supplies of nitrogen fertilizer.

Input prices have been quite stable since spring. And relative to a year earlier, price gains have slowed from around 9 percent at the beginning of this year to about 4½ percent in October. For all of 1976, it looks like prices of production inputs, including interest, wages, and taxes, may average around 7½ percent above 1975. However, farmers may enter 1977 paying only around 4 percent more for purchased inputs.

Prices of fertilizer, seed, and farm and motor supplies may average lower this year, although most other major inputs have cost more. Fertilizer prices this fall continued to decline from the peak level reached in the spring of 1975. Inputs registering the largest price gains include feeder livestock, farm machinery, and interest on farm indebtedness.

The overall volume of farm inputs used in 1976 probably increased slightly from the previous year. Fertilizer consumption is up substantially this year

DECEMBER SITUATION REPORT SCHEDULE

Situation reports which will be released by USDA's Outlook and Situation Board during December 1976 include:

Title	Off Press
Sugar & Sweetener	December 9
Ag Supply & Demand	December 13
Livestock & Meat	December 13
Dairy	December 16
Fertilizer	December 17
Tobacco	December 23
World Agriculture	December 29

Single copies of the above reports may be obtained by writing to: ERS Publications Unit, Room 0054, South Building, USDA, Washington, D.C. 20250

following the sharp drop in 1975. Farmers are using more feeder livestock as feedlot placements of cattle were up earlier this year and hog production continues to expand. Feed use is also higher this year.

(Based on "Farm Input Situation and Outlook," a talk by Robert D. Reinsel at the National Agricultural Outlook Conference).

Farm Machinery Sales Weaken This Fall

Retail sales of farm tractors slipped markedly in August and September this year. This brought total January-September tractor sales around 2 percent below a year earlier, although farmers bought about 13 percent more four-wheel-drive units during this period.

Combine sales also fell from a year ago during September bringing cumulative purchases so far this year down about 3 percent. Sharp declines in August and September hay baler sales reversed the upward trend through May. However, farmers have been buying more corn heads, windrowers, and forage harvesters than last year.

Prices paid by farmers in September for tractors and other self-propelled farm machinery were 10 percent higher than a year earlier and 38 percent above 1974. While price increases have slowed considerably, the rate of increase remains strong relative to other price indicators.

It seems likely that further price rises, only slightly lower than those of this year, are in store for 1977 if demand remains strong. However, demand could soften and dealers and manufacturers could begin to accumulate larger inventories which could lead to softening of prices later in 1977. None-the-less, the currently lower interest rates on intermediate term loans could help stimulate demand.

On balance, 1977 looks like a repeat of 1976 with a slight slowdown in sales and perhaps a slower rise in prices. (Duane Paul)

Fuel Price Levels Uncertain

While gasoline prices are up slightly from a year ago, price movement over the next several months will reflect actions taken by the oil exporting countries.

The OPEC countries have been advocating price increases ranging from 0 to 30 percent with 10 to 15 percent being the most common increase discussed. Until this issue is settled, it is difficult to estimate fuel price increases for 1977.

Price and allocation regulations on No. 2 heating oil, diesel fuel, and other middle distillates ended June 30, 1976. Price response to this action is uncertain, but the Federal Energy Administration assured Congress that action would be

taken if prices for this winter's heating oil rose more than 2 cents per gallon. It seems doubtful that diesel fuel prices will rise by more than 1 or 2 cents per gallon for the remainder of 1976 and early 1977.

LP gas supplies have increased substantially. The American Petroleum Institute reports that inventories at the end of September totaled 95 million barrels, versus 89 million barrels a year earlier. Farmers should continue to keep their LP storage facilities at capacity as a hedge against natural gas shortages and to maintain supplies for crop drying and other needs throughout the winter.

Natural gas continues to be in short supply with interstate pipelines projecting curtailments near 30 percent of requirements for the coming winter heating season. The cuts will be felt most severely in the East, Southeast, and Gulf Coast areas. Higher prices of natural gas can be expected in the coming year.

FUEL PRICES PAID BY FARMERS

Month	Diesel		Gasoline ¹	
	1975	1976	1975	1976
	Ct. per gal.			
Jan.	38.6	41.4	46.0	52.5
Apr.	37.4	40.7	47.3	51.3
July	39.6	41.7	52.4	54.2
Oct.	40.7	41.5	53.5	54.6

¹ From tank truck.

Price increases for interstate natural gas announced by the Federal Power Commission (FPC) were scheduled to become effective December 1, 1976. These prices have been revised somewhat in response to petitions filed by consumer groups and States. Prices for gas discovered or sold in interstate commerce after January 1, 1975, will be \$1.42 per 1,000 cubic feet (m.c.f.). For gas discovered between January 1, 1973, and January 1, 1975, prices have been lowered from \$1.01 to \$.93 per m.c.f. (Earle Gavett and Patricia Devlin)

Little Change in Pesticide Prices Seen for 1977

Pesticide production was up 10 to 15 percent for the 1976 season. Coupled with larger inventory levels, this pushed total supplies of pesticides up 15 to 20 percent—more than enough to support increased use by producers this year.

Crop acreages are probably the most significant factor affecting levels of pesticide use. If 1977 acres are comparable

to 1976, insecticide and fungicide use in 1977 should be about the same as in 1976. Herbicide use should be up because of the general trend to use herbicides more intensively.

Prospects are good that supplies of agricultural pesticides will be sufficient for the 1977 crop season. Prices are expected to be stable for most pesticides, with a possibility of some declines in herbicide prices. Inventories entering the 1977 season are expected to be above year-earlier levels. Manufacturers of agricultural pesticides are adding to capacity and have some current unused capacity. Manufacturers added about 20 percent to overall pesticide capacity in 1976. Anticipated production capacity available for the 1977 season is expected to be up 20 percent for herbicides and 5 percent for insecticides.

Regulatory actions are becoming an increasingly important factor in assessing the use and availability of pesticides. For a discussion of these regulatory actions, see page 14 of the October 1976 issue of *Agricultural Outlook*. (Theodore Eichers and Paul Andriolenaa)

Fertilizer Consumption Up 15 Percent

Larger supplies and lower prices encouraged farmers to boost fertilizer consumption by 15 percent in the year ending June 1976. Farmers had reduced use substantially in the 1975 season following the sharp runup in the cost of fertilizer. All told, a record of nearly 49 million tons of fertilizer was applied by farmers in 1975/76, up from the previous high of 47 million tons 2 years ago. And use apparently has continued to expand since midyear. In the 18 States now reporting, fertilizer shipments in July and August were up 18 percent from a year earlier. For all of the 1977 season, fertilizer use may equal or be slightly above the previous year.

Retail fertilizer prices continue to decline from their April 1975 peak. Farmers in October were paying around 3 percent less than this spring and 12 percent below a year ago for fertilizer.

With fertilizer production capacities generally up from a year ago and with relatively large inventories at the primary and intermediate production levels, fertilizer supplies in the 1976/77 crop year will likely lead to steady to lower prices, even if fertilizer use increases some. However, in some of the three primary nutrient markets, there are circumstances pending which could alter this general outlook.

Nitrogen: U.S. anhydrous ammonia production capacity is expected to increase about 5 percent by the end of 1976, and additional capacity will be

coming on stream in 1977 in the United States and Canada. Inventories of nitrogen fertilizer material are high and are expected to increase into early 1977. As a result, prices for nitrogenous fertilizers are expected to be lower even with increased levels of use.

Phosphorus: Phosphate rock producers increased output last year about 7 percent over 1974 levels. However, quantities of rock used domestically are down almost 4 percent so far this year and the usually strong export market for rock has been off. Consequently, September 1 inventories of phosphate rock were 55 percent higher than a year ago. With prices for phosphate fertilizers down sharply and generally abundant supplies on hand, some phosphoric acid facilities have shut down or slowed production in order to reduce inventories.

Potassium: September 1 domestic inventories of potash were 5 percent

above a year ago. While total U.S. and Canadian production capacities have increased since January 1, prices have recently come down and supplies of potash are expected to be sufficient for the 1976/77 crop year at lower prices.

Demand for potash by U.S. farmers averages between 4.5 and 5.0 million tons and exports have approximated 800,000 tons annually. Domestic production capacity will be about 3.1 million tons on January 1, 1977, and the United States has, in recent years, imported about 75 percent of its potash needs from Saskatchewan. At present, the provincial government is in the process of assuming control of one-half of the potash production capacity in Saskatchewan. The potential effects of this action are as yet unknown, but U.S. manufacturers are seeking new sources of supply.

As of January 1, 1977, combined U.S. and Canadian potash production capacity will total 11.8 million tons per year. If Canadian price and output levels remain stable, supplies of potash should be more than sufficient to meet the needs of both nations in 1976/77 and in the future. (Marilyn Altobello)

Wages for Farm Hired Labor Up a Tenth

Wages paid by farm employers for hired labor in 1976 are running about 10 percent above a year ago. Since 1973, wage rates have risen at a 10-percent annual rate, compared with a 6-percent average increase during the 1970-1972 period.

Although there has been a fairly

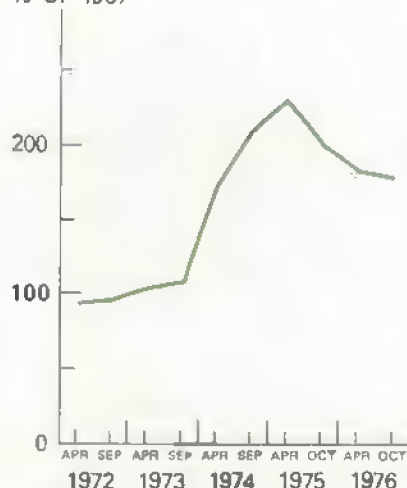
steady increase in wage rates over the past few years, large variation exists among production regions both as to level and rate of increase in wage rates. The Appalachian region (Virginia, West Virginia, North Carolina, Kentucky, and Tennessee) recorded the lowest average hourly rates in mid-1976 at \$2.30 per hour, while the Pacific region (Washington, Oregon, and California) had the highest average hourly rate at \$3.02. The Southern and Western States experienced the largest relative increase over the previous year with the Southern Plains region, which includes Oklahoma and Texas, registering a 17-percent increase from mid-1975.

Average annual hired employment in agriculture increased about 15 percent from 1972 to 1975 and is expected to increase slightly further in 1976. However, most of the gain in hired labor use has been in the Pacific, Lake States, Corn Belt, and Northern Plains regions. With only a few exceptions, hired labor use in the Southern and Southeastern States has declined since 1970.

The increase in hired labor use in the Midwest has been primarily for seasonal labor generally employed 3 months or less—including high school and college students as well as retired or semi-retired persons employed on a seasonal basis for planting and harvesting activities. The increase in hired labor use in the Pacific States has been complemented by an increased duration of employment for many workers. However, because of the increase in acreage of specialty crops, use of short-term seasonal labor is also rising. Approximately 300,000 to 400,000 workers are

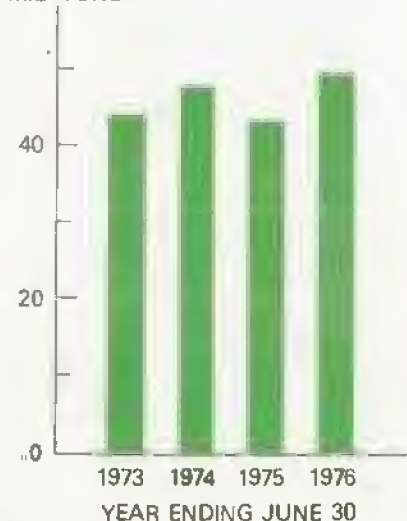
FALLOFF IN FERTILIZER PRICES . . .

% OF 1967



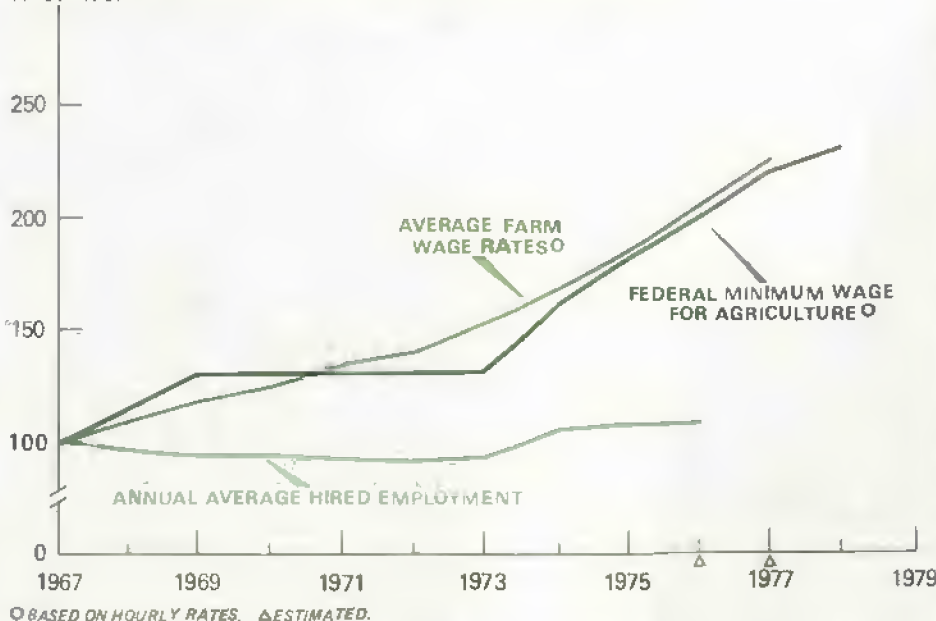
. . . ENCOURAGES LARGER DOMESTIC USE

MIL. TONS



FARM WAGE RATES PARALLEL FEDERAL MINIMUM RISES

% OF 1967



mobilized annually in California to provide harvest labor generally for 3 months or less.

Average U.S. wage rate increases for the past several years have closely paralleled increases in the agricultural Federal minimum wage rate. Beginning January 1 next year, the Federal minimum wage will be \$2.20 per hour, up 20 cents from 1976. Based on trends since 1974, overall wage rates in agriculture could average about \$2.70 for 1976 and move close to \$3.00 per hour in 1977. Of course, existing regional variations will remain. Recent wage increases under the master agreement negotiated by the United Farm Workers in California

includes a minimum of \$3.225 per hour for general field and harvest labor beginning February 1, 1977. Under this agreement, tractor drivers will receive basic rates of \$3.95 and \$4.05 per hour. (Conrad Fritsch)

Farm Assets Reach \$634 Billion

The value of assets of the farming sector is expected to reach \$634 billion by the end of 1976, a gain of \$49 billion during the year. While this is below the 1975 increase of \$65 billion, it will far exceed this year's net farm income. A slower rate of increase in farmland values and the decline in livestock inventory values (following the large gain in 1975) contributed to the less rapid gain

in asset value in 1976. The value of farmland (a major component of farm assets) is expected to rise about 9 percent for the year ending February 1, 1977, compared with a 14-percent gain in the previous year. Increases in asset value are frequently used by farm owners as the basis for refinancing debts to higher levels.

Total farm debt outstanding is expected to reach \$102 billion by the end of 1976, an increase of about \$11 billion (12 percent). Both real estate and non-real estate debt rose more this year than last.

Real estate loan demand was strong during 1976 and lenders were more actively seeking loans. Life insurance company lending increased considerably this year, and banks and production credit associations recorded larger gains in their nonreal estate loans than in 1975. Lending activity of merchants and dealers, particularly those selling farm machinery, was stronger than in other recent years as selling competition increased.

Loan volume is expected to rise further in 1977 for most types of operating loans and for real estate loans. Loans for farm machinery rose in 1976 and are expected to continue increasing next year, and cattle feeding loans are also expected to increase.

It appears that loan funds will be available next year to meet the enlarged demands at rates of interest near late 1976 levels. Some cash flow problems related to debt repayment capacity are expected. Renewals and loan extensions have been higher, and lenders consider that farm lending is becoming more risky.

Based on the current expectation that the net income position of farmers in 1977 will be about the same as in 1976, capital expenditures are expected to increase at about the same rate as in 1976. Expenditures for purchases of real estate assets should also increase.

The projected rise in total farm debt—about the same as in 1976—suggests a continuing growth in the use of borrowed funds relative to internally generated equity funding. Despite the expected increase in debt, farm owners' equity will grow as a result of increases in land values.

Land values are projected to increase an average of 7 percent, down slightly from 1976's estimated rise. As in other years, substantial variations in the rates of increase in land values are expected across the country. (Philip Allen and Larry Walker)

FARM DEBT OUTSTANDING

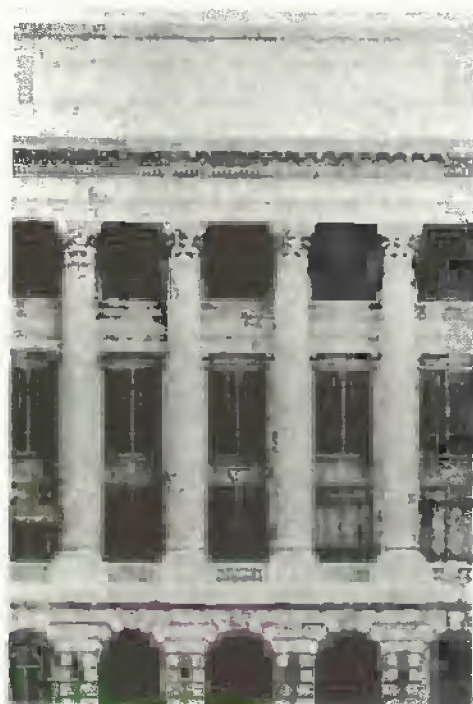
Lenders	January 1 ¹				Change ³	
	1970	1975	1976	1977 ²	1970-77	1976-77
	Bil. \$				Pct.	
Real Estate Debt:						
Federal land banks	6.7	13.4	16.0	18.7	180	17
Life insurance companies	5.7	6.3	² 6.5	7.6	32	16
All operating banks	3.5	6.0	6.3	6.9	94	9
Farmers Home Adm. ⁴	2.3	3.2	3.4	3.7	60	9
Total institutional lenders: . . .	18.2	28.9	32.1	36.8	102	15
Individuals and others ⁵	11.0	17.4	18.7	19.9	82	6
Total	29.2	46.3	50.9	56.7	94	11
Nonreal Estate Debt:						
All operating banks	10.3	18.2	20.2	22.5	118	12
Production credit assoc.	4.5	9.5	10.8	12.4	177	16
Federal intermediate credit banks ⁶ . . . . .	.2	.4	.4	.4	74	9
Farmers Home Adm. . . . .	.8	1.0	1.8	2.1	170	20
Total institutional lenders . . .	15.8	29.2	33.1	37.5	137	13
Individuals and others ⁷	5.3	6.1	6.4	7.0	30	9
Total (excluding CCC)	21.2	35.2	39.4	44.4	110	13
Commodity Credit Corp. loans	2.7	.3	.4	.5	-83	30
Total Farm Debt	53.0	81.8	90.6	101.6	92	12

¹Totals may not add due to rounding.

²Preliminary. ³Calculated from unrounded data. ⁴Includes direct and insured farm ownership, farm housing, soil and water related loans secured by farm real estate.

⁵Includes seller and other individual

financing of farm real estate sales and unclassified credit sources. ⁶Loans to and discounts for other financial institutions. ⁷Includes merchants and dealers, individuals, and all other unclassified credit sources.



POLICY DEVELOPMENTS

The upcoming deliberations on agricultural and food policy could result in 1977 becoming a "watershed" year—joining previous years of distinction such as 1933, 1949, and 1962.

Three influential factors are: (1) the unique economic circumstances currently prevailing, (2) the fundamentally changed policy environment for agriculture and food, and (3) the convergence of three related agricultural and food policy areas requiring Congressional attention in early 1977.

The current economic circumstances are largely fashioned by occurrences of this decade. These and other factors in combination pose more uncertainty about the future direction of the agricultural economy than perhaps has existed over the past 20 years. This results in uncertainty about the kind of policies needed for the future. Will future policies need to be developed for coping with a return to the surpluses of the 1960's, or chronic shortages, or conditions sharply fluctuating between these extremes?

Accompanying the economic developments have been changes in the policy environment for agriculture and food. The enlarged participant group in the policy process now ranges from consumer interests and organized labor to foreign policy specialists. Other changes include a different policy agenda, the new Congressional budget process, major shifts in the leadership and makeup of the Congress, and a new administration—all having significant implications for the upcoming policy debates.

Three major policy areas related to

food and agriculture require Congressional attention in early 1977:

—The Agriculture and Consumer Protection Act of 1973, applicable to the major agricultural commodities, expires at the end of the 1977 crop year.

—The authorization for the Agricultural Trade and Development Assistance Act of 1954 (popularly known as P.L. 480) expires.

—Funding authorization (Section 16) for programs under the Food Stamp Act of 1964 also expires.

(Based on "Beyond the Agriculture and Consumer Protection Act of 1973," a talk by J.B. Penn at the National Agricultural Outlook Conference).

1976 Tax Reform Act Impacts on Agriculture

The Tax Reform Act of 1976 has recently become law. Individuals in the farm sector may find their tax picture substantially changed by several new provisions which affect agriculture.

Perhaps the most significant of these changes involves the taxation and transfer of estates. Several new provisions will affect nearly all taxable estates, and certain others may mean even greater changes for certain types of farm estates. The most important change involves the unification of the estate and gift taxes along with the replacement of the exemptions for each tax with a single, unified tax credit.

Under prior law, estates and lifetime gifts were treated separately—each had its own tax rate schedule and its own exemption allowances. The exemptions provided for the tax-free transfer of that value of wealth before subsequent amounts were taxed. For the estate tax, the exemption was \$60,000; for the gift tax, it was \$30,000 plus an annual exemption of \$3,000 for gifts to each separate donee. There was also a special exemption for bequests to spouses. As much as half the estate could be transferred tax-free (in addition to the regular \$60,000 exemption for all estates), provided that amount was actually bequeathed to the spouse. Although the two laws generally worked in tandem, individuals who wanted to transfer funds and minimize their tax obligation had an incentive to make lifetime gifts, since the gift tax rates were lower than the estate tax rates.

Under the new law, the same rate schedule applies to both taxes, so this incentive is largely eliminated. Furthermore, the exemptions have been replaced with a tax credit which will be \$30,000 in 1977 and escalate to \$47,000 in 1981. This new tax credit will mean lower real estate taxes for most estates. For example, the value of estates that

can be transferred tax free to someone other than a spouse will rise from the present \$60,000 to \$120,000 in 1977 and to \$175,000 by 1981. The marital deduction on property bequeathed to the spouse will also increase from half the adjusted gross estate to half the adjusted gross estate or \$250,000, whichever is greater. This should entail even greater tax reductions on qualifying estates. In addition, certain estates comprised mainly of farm or other closely-held businesses can qualify for use-value assessment on certain assets rather than an assessment based on market value. There is also a special estate tax payment plan for these estates that allows a 15-year payment period at relatively low interest rates (4 percent). However, use-value assessment cannot reduce the value of the estate by more than \$500,000, and the 4 percent interest rate applies only to the first \$1 million of farm or closely-held business property.

Most of the individual income tax reductions initially adopted in the Tax Reduction Act of 1975 have been extended. These include the general tax credit and the increase in the standard deduction. Other changes include a continuation of the 10-percent investment tax credit, liberalization of the retirement income credit, revised provisions for long term capital gains, and several changes which affect the treatment of tax shelters in agriculture. Individuals interested in further information about the 1976 Act may want to consult a more comprehensive review.¹

Estate tax liabilities will generally be reduced, although these lower liabilities will not obviate the need for effective estate planning. Moreover, the special valuation rules for farmland may encourage nonfarm investors to purchase farmland as a means of reducing their estate taxes. The most significant changes in agricultural business operations may stem from the tax shelter provisions. Investors will be limited to loss deductions that do not exceed the amount of capital they personally have at risk, and certain farm syndicates must follow more restrictive practices—such as eliminating the use of prepaid expenses as immediate tax deductions, and capitalizing the preproductive expenses of developing groves, orchards, and vineyards. In contrast to the new valuation rules for farmland, these new tax shelter limitations would tend to reduce the amount of tax-motivated investment in agriculture. (Charles Sisson)

¹See "Provisions of Importance to Agriculture in the Tax Reform Act of 1976," ERS-645, Nov. 1976, by Charles A. Sisson. For a copy of this timely guide, use the order form for new reports on the inside back cover.



WORLD AGRICULTURE AND TRADE

U.S. agricultural exports in fiscal 1977 are expected to total close to last year's \$22.8 billion. This would mark the fourth successive year that our agricultural exports will have exceeded the \$20-billion level. Total export tonnage of farm commodities may not match last year's 107 million metric tons, but higher prices for soybeans, oilseed products, and fibers will help maintain the value.

Export data are now reported for the new fiscal year period which runs from October 1 through September 30. This applies to past years as well as to fiscal 1977 (October 1976-September 1977).

Economic recovery is continuing abroad, but the pace has slowed. The Organization for Economic Cooperation and Development (OECD) estimates that real GNP growth in member countries during the second half of 1976 will average 3.5 percent at an annual rate, down from 6.5 percent during the first 6 months of 1976. Real GNP growth at a 4¼-percent annual rate is forecast for the first half of 1977.

There is wide discussion about a possible boost in OPEC oil prices in December. A 10-percent increase would add an estimated \$12 billion to the developed countries' oil bills and would likely dampen their 1977 economic growth.

In the developing countries, trade and domestic agricultural production have favorably affected economic growth rates. Overall economic growth in the non-oil exporting developing

countries should exceed 4 percent in 1976, though this is still below long term rates.

The world grain supply situation has eased considerably. Production increases of about 15 percent for wheat and 6 percent for coarse grains are forecast for 1976/77. Rice production may decline slightly, following three successive record crops. World grain stocks are expected to increase about a fifth during 1976/77.

Fiscal 1977 U.S. grain exports are expected to fall 5 to 10 percent from the 83 million tons of 1975/76, and export prices are likely to be down significantly. Much of the volume decline will be attributable to the drop in shipments to the USSR. However, larger shipments to Europe and the Far East are expected. Of course, the actual level of U.S. grain exports will depend in part on the size of spring-harvested Southern Hemisphere grain crops.

U.S. oilseed and products exports are expected to increase about 30 percent in value in fiscal 1977 as higher oilseed and protein meal prices more than offset small declines in soybean and meal export volume.

The reduced 1976 U.S. soybean crop will be a major factor in the level of fiscal 1977 U.S. soybean exports. Abroad, several supply and demand developments will have offsetting effects. Record soybean crops and export availabilities are anticipated in Brazil and Argentina in 1977. However, a labor dispute has increased uncertainty about the size of the Peruvian anchovy catch. The Soviet sunflowerseed crop was a

disappointment, although perhaps well above the disastrous 5-million-ton 1975 harvest. Drought in Europe has reduced domestic feed supplies, and livestock industries continue to have serious problems.

Regional Export Prospects

Western Europe has been the market for about one-third of U.S. agricultural exports in recent years. In fiscal 1977, the value of these shipments is likely to rise about a tenth—primarily a result of larger shipments of feed grains and sustained sales of protein feed at higher prices. Exports of potatoes and some other fresh and processed fruits and vegetables are also expected to be above year-earlier levels.

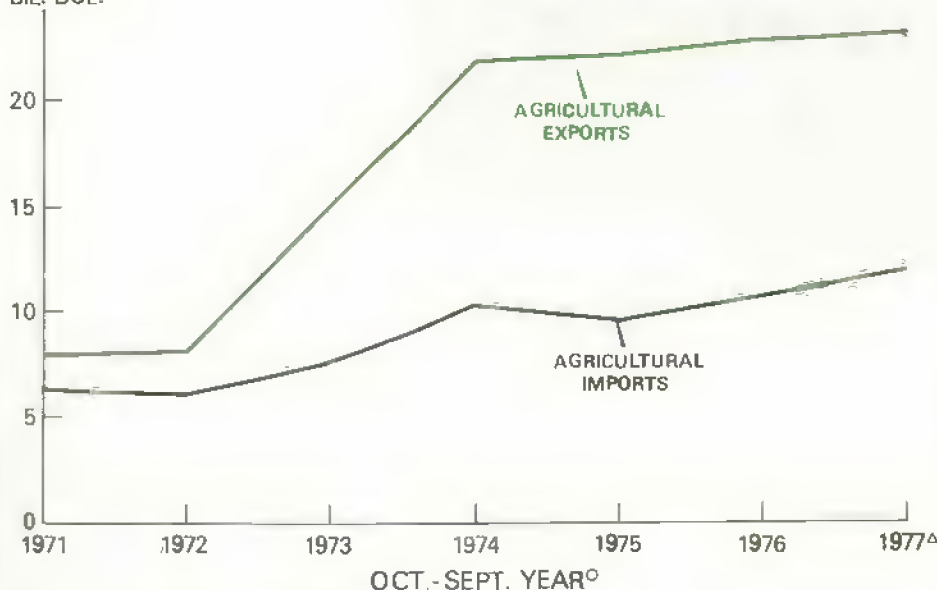
The drought that struck Western Europe last summer caused severe crop damage in several large producing areas. Cattle numbers will remain high despite increased cattle slaughter in some major European countries because of the drought. Hog and poultry numbers are on the upswing in the European Community (EC), and total use of grain for feed should reach an alltime high in Western Europe during 1976/77.

The EC import deposit on proteins was terminated October 31, and an EC proposal for what would amount to an indirect tax on soybean imports now appears dormant.

Drought struck the northern countries of Eastern Europe during the summer, but grain production turned out better than anticipated. Good results in Romania and Yugoslavia may have boosted total grain production in the

U.S. FARM EXPORTS MAY HIT \$23 BILLION IN 1976/77

BIL. DOL.



ENDING WITH YEAR INDICATED. Δ FORECAST.

VOLUME OF U.S. AGRICULTURAL EXPORTS

Commodity	Year beginning October 1		
	1974/75	1975/76	1976/77 ¹
	Mil. metric tons		
Wheat and flour	30.1	30.9	29.7
Feed grains	35.1	49.9	46.6
Rice	2.2	1.9	2.1
Soybeans	11.5	15.0	14.3
Vegetable oils . . . . .	.9	.9	1.0
Oilcake and meal	4.1	4.9	4.5
Cotton, including linters . . . . .	.9	.7	1.0
Tobacco . . . . .	.3	.3	.3
Fresh fruit	1.3	1.4	1.4
Animal fats	1.0	1.2	1.1
Total ²	87.3	107.1	102.0

¹ Forecast. ² Totals may not add due to rounding.

region to a new record, although the out-turn in the northern countries was only a little better than the poor 1975 crop. In addition, serious production losses for nongrain feeds will force the northern countries to increase their grain imports. The volume of U.S. grain and

oilmeal exports to East Europe is expected to remain near last year's level, but lower grain prices will reduce the total value.

By November 1, the USSR had harvested over 220 million tons of grain. The final 1976 harvest is expected to

equal and possibly exceed the 1973 record crop of 222 million tons. The increased grain availability will be reflected in a buildup in stocks, a cut-back in imports, and recovery in live-stock feeding and exports, especially to Eastern Europe.

Fiscal 1977 U.S. agricultural exports to the USSR are forecast considerably below 1975/76's value but over double 1974/75's value. Grain is expected to account for almost three-fourths of the exports, with soybeans accounting for most of the remainder. In the grain export forecast, USDA assumes that the Soviets will import about 8 million tons of U.S. grains. As of mid-November, the Soviets had purchased 6.5 million tons (2.6 million of wheat and 3.9 million of corn) for delivery during the new fiscal year. The Soviets have also purchased 1.5 million tons of U.S. soybeans for shipment in fiscal 1977.

Fiscal 1977 U.S. agricultural exports to the developing countries are likely to total near last year's \$6.9 billion. Larger shipments to North Africa and West, East, and Southeast Asia are expected.

The developing countries of East and Southeast Asia are expected to increase their imports of U.S. grains, soybeans, and cotton in fiscal 1977. Korea, Taiwan, and Hong Kong are benefiting from the recovery in world trade. Their economies grew 10 to 12 percent in 1976. Textile exports from East Asia have increased markedly this year and, thus, very strong recovery in demand for U.S. cotton is expected from this region.

Good grain crops in South Asia have reduced the demand for imported grain there. However, more U.S. vegetable oil may be imported during fiscal 1977.

U.S. farm exports to West Asia are expected to rise in value, with increased shipments of poultry meat, feed grains, rice, soybeans, and vegetable oils.

U.S. exports to North Africa may rise about 15 percent in value. For Latin America, lower grain prices and a reduced volume of wheat shipments will reduce the value of U.S. farm exports.

Agricultural Imports Rising; Trade Balance May Narrow

U.S. agricultural imports are expected to increase about 15 percent in fiscal 1977, up from \$10.5 billion in 1975/76 and \$9.5 billion in 1974/75. As in 1975/76, much of the value increase will result from higher prices for coffee. Coffee imports may drop back from the 1.2 million tons imported in 1975/76. U.S. sugar imports are expected to increase in volume at a lower unit value.

The surplus of U.S. agricultural trade—which exceeded \$12 billion in 1974/75 and 1975/76—will probably be closer to \$11 billion in fiscal 1977. (Sally E. Breedlove)

VALUE OF U.S. AGRICULTURAL EXPORTS¹

Region	Year beginning October 1		
	1974/75	1975/76	1976/77 ²
		\$ Bil.	
Western Europe	7.5	7.2	8.0
European Community	5.9	5.7	6.4
Other Western Europe	1.7	1.5	1.6
Eastern Europe . . . . .	.8	1.3	1.2
USSR . . . . .	.6	2.0	1.3
Asia	8.0	7.4	7.9
West Asia	1.5	.8	.9
South Asia	1.2	1.1	1.1
Southeast Asia & East Asia (excluding PRC & Japan)	2.0	2.1	2.3
Japan	3.2	3.4	3.6
PRC . . . . .	.1	(³)	(³)
Canada	1.3	1.4	1.5
North Africa . . . . .	.8	.7	.8
Other Africa . . . . .	.4	.4	.4
Latin America	2.3	2.1	1.8
Oceania . . . . .	.1	.1	.1
Total ⁴	21.9	22.8	23.0

¹ Adjusted for transshipments through Canada and Western Europe. ² Forecast.

³ Less than \$50 million. ⁴ Total may not add due to rounding.

STATISTICAL INDICATORS

FARM INCOME

Gross and net farm income¹

Items	First Half			1974				1975				1976		
	1974	1975	1976	I	II	III	IV	I	II	III	IV	I	II	III
\$ Bil.														
Cash receipts from farm marketings	94.7	85.6	96.2 ¹	99.4	90.0	89.3	91.7	80.0 ²	91.1	96.5	90.8	90.9	101.5	95.5
Nonmoney and other farm income ²	7.4	8.4	9.2	7.4	7.5	7.7	7.8	8.4	8.5	8.7	8.8	9.1	9.3	9.3
Realized gross farm income	102.1	94.0	105.4	106.8	97.5	97.0	99.5	88.4	99.6	105.2	99.6	100.0	110.8	104.8
Farm production expenses ..	72.0	74.8	80.2	72.6	71.5	72.7	72.8	73.4	76.1	76.8	75.7	79.3	81.0	81.2
Farmers' realized net income	30.1	19.2	25.2	34.2	26.0	24.3	26.7	15.0	23.5	28.4	23.9	20.7	29.8	23.6
Net change in farm inventories	-1.1	2.4	.3	-1.5	-.8	0	-2.9	3.5	1.3	1.6	5.2	2.0	-1.4	-1.0
Farmers' total net income	29.0	21.6	25.5	32.7	25.2	24.3	23.8	18.5	24.8	30.0	29.1	22.7	28.4	22.6

Quarterly data are seasonally adjusted at annual rates. ²Includes farm households, rental value of farm dwellings, and income from government payments to farmers, value of farm products consumed in recreation, machine hire, and custom work.

Cash receipts from farming

Items	January-June			1975		1976				
	1974	1975	1976	Sept	Apr	May	June	July	Aug	Sept
\$ Mil.										
Farm marketings and CCC loans ¹	40,709	36,362	41,877	8,919	6,348	6,314	7,868	7,917	7,737	8,432
Livestock and products	21,443	19,606	23,638	4,054	4,178	3,977	4,041	3,812	3,951	3,934
Meat animals	13,096	11,561	14,227	2,543	2,629	2,323	2,415	2,146	2,281	2,347
Dairy products	5,027	4,789	5,778	818	961	1,013	980	978	975	908
Poultry and eggs	3,049	3,011	3,379	652	541	592	600	643	653	640
Other	271	245	254	41	47	49	46	45	42	39
Crops	19,266	16,756	18,239	4,865	2,170	2,337	3,827	4,105	3,786	4,498
Food grains	3,183	2,903	3,266	1,137	309	450	1,163	1,299	854	779
Feed crops	5,812	4,847	5,806	997	647	672	1,150	1,134	936	1,198
Cotton (lint and seed)	1,079	978	769	65	26	28	31	22	77	101
Tobacco	203	289	357	406	11	9	2	210	427	430
Oil-bearing crops	3,646	2,513	2,951	772	289	255	531	348	344	484
Vegetables and melons	2,212	2,001	2,080	821	365	373	431	495	616	838
Fruits and tree nuts	1,348	1,430	1,379	358	178	276	331	350	306	369
Other	1,783	1,795	1,631	309	345	274	188	247	226	299
Government payments	93	489	255	46	52	16	19	40	71	56
Total cash receipts ²	40,802	36,851	42,132	8,965	6,400	6,330	7,887	7,957	7,808	8,488

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Cash receipts¹ from farm marketings, by States, January-September

State	Livestock and Products		Crops ²		Total ²	
	1975	1976	1975	1976	1975	1976
			\$ Mil.			
NORTH ATLANTIC						
Maine	181.3	196.2	84.8	137.6	266.1	333.9
New Hampshire	38.5	41.2	14.8	15.2	53.3	56.4
Vermont	147.1	182.7	13.3	15.0	160.4	197.7
Massachusetts	77.1	84.3	70.9	69.4	148.0	153.7
Rhode Island	8.3	9.0	11.8	10.3	20.0	19.3
Connecticut	84.6	101.3	81.1	76.4	165.7	177.7
New York	760.3	916.9	350.9	375.2	1,111.2	1,292.1
New Jersey	74.0	86.6	170.8	171.4	244.8	257.9
Pennsylvania	839.1	974.3	334.1	355.5	1,173.2	1,329.8
NORTH CENTRAL						
Ohio	822.5	905.5	1,098.8	1,011.1	1,921.4	1,916.6
Indiana	894.7	932.1	947.3	1,107.7	1,842.0	2,039.8
Illinois	1,389.9	1,452.6	2,273.4	2,970.1	3,663.4	4,423.0
Michigan	515.0	611.9	632.8	652.7	1,147.9	1,264.6
Wisconsin	1,556.8	1,918.5	364.1	384.9	1,920.9	2,303.4
Minnesota	1,482.5	1,679.8	1,235.4	1,213.5	2,718.0	2,893.3
Iowa	2,857.1	3,028.3	1,837.0	1,934.7	4,694.1	4,967.9
Missouri	1,144.0	1,306.1	646.7	656.0	1,790.7	1,962.2
North Dakota	294.3	373.3	1,173.2	973.2	1,467.5	1,346.5
South Dakota	916.8	1,085.7	421.8	306.8	1,338.5	1,392.6
Nebraska	1,580.6	1,735.7	1,110.2	1,198.7	2,690.7	2,934.4
Kansas	1,110.4	1,419.1	1,451.1	1,348.5	2,561.5	2,767.6
SOUTHERN						
Delaware	125.8	134.4	57.5	55.6	183.3	190.0
Maryland	300.9	326.2	171.8	162.1	472.6	488.3
Virginia	373.0	421.0	249.0	267.7	622.0	688.7
West Virginia	69.0	76.0	29.7	31.8	98.7	107.8
North Carolina	720.2	777.5	943.5	1,061.1	1,663.7	1,838.6
South Carolina	192.6	215.1	368.5	380.0	561.1	595.1
Georgia	824.1	903.1	695.5	614.4	1,516.6	1,517.5
Florida	456.3	543.8	1,410.7	1,428.6	1,867.0	2,206.4
Kentucky	476.4	577.9	333.3	398.0	809.7	925.8
Tennessee	409.3	516.9	188.9	214.7	598.2	731.6
Alabama	619.1	680.7	300.7	280.9	919.8	961.5
Mississippi	488.5	563.2	269.5	322.0	758.0	885.2
Arkansas	721.9	816.0	542.0	488.9	1,263.9	1,304.8
Louisiana	222.9	288.7	426.1	375.4	659.1	664.1
Oklahoma	767.3	987.3	628.3	556.4	1,395.6	1,543.7
Texas	2,227.4	2,634.1	1,924.0	1,906.1	4,156.3	4,540.2
WESTERN						
Montana	166.5	209.9	449.7	417.4	616.2	627.3
Idaho	354.5	419.4	461.1	550.5	815.6	969.9
Wyoming	132.6	162.6	45.1	61.3	177.7	223.8
Colorado	982.5	1,059.5	373.1	318.8	1,355.6	1,378.7
New Mexico	254.6	290.3	110.7	94.3	365.3	384.6
Arizona	347.5	397.9	418.1	409.0	765.6	806.9
Utah	161.3	189.9	61.0	56.9	222.2	246.8
Nevada	57.9	64.8	16.4	28.8	69.3	93.6
Washington	323.6	387.4	949.4	895.4	1,273.0	1,282.8
Oregon	232.3	273.7	464.4	462.9	696.7	736.6
California	2,072.0	2,327.4	3,556.7	3,617.6	5,628.7	5,945.0
Alaska	2.8	2.9	1.3	1.1	4.1	4.0
Hawaii	43.0	46.0	235.4	132.3	278.4	178.3
UNITED STATES						
Grand Total	30,902.8	35,334.7	30,005.5	30,628.0	60,908.3	65,962.7

¹Estimates as of the first of current month. ²Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm marketing indexes (physical volume)¹

Items	January-June			1975	1976					
	1974	1975	1976	Sept	Apr	May	June	July	Aug	Sept
1967=100										
All commodities	97	95	105	131	95	94	115	118	120	130
Livestock and products	102	102	109	113	113	108	111	108	115	117
Crops	91	86	101	157	69	75	121	129	128	148

¹ Base weight period shifted from 1967-69 to 1971-73.

Farm Production¹

Items	1970	1971	1972	1973	1974	1975	1976 ²
1967=100							
Farm output	101	111	110	112	108	111	111
All livestock products ³	105	108	108	105	106	100	103
Meat animals	108	112	110	108	110	101	102
Dairy products	100	101	102	98	98	98	101
Poultry and eggs	106	107	109	106	106	102	109
All crops ⁴	101	112	113	120	110	122	118
Feed grains	89	116	112	115	93	113	117
Hay and forage	99	105	104	109	104	108	100
Food grains	91	107	102	112	120	141	138
Sugar crops	114	117	128	112	104	130	130
Cotton	139	145	187	175	158	112	133
Tobacco	97	86	88	88	101	111	105
Oil crops	117	121	131	155	127	151	128
Cropland used for crops	98	100	98	104	106	108	108
Crop production per acre	104	112	115	115	103	113	109

¹ Prepared jointly by Economic Research Service and Statistical Reporting Service. For historical data and explanation of indexes, see "Changes in Farm Production and Efficiency," Statistical Bulletin 561.

² Preliminary indexes for 1976 based on November 1976 "Crop Production" and other releases of the Crop Reporting Board, SRS.

³ Gross livestock production includes minor livestock products not

included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

FARM PRICES: RECEIVED AND PAID

Indexes of prices received and paid by farmers, U.S. average

Items	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
-1967=100										
Prices Received										
All farm products.....	192	180	189	195	191	196	195	187	187	178
All crops	213	202	197	203	198	211	215	201	204	195
Food grains.....	309	242	223	257	218	218	213	191	185	169
Feed grains and hay	216	235	221	225	229	237	242	226	226	207
Feed grains.....	218	237	219	228	223	235	242	224	223	201
Cotton	231	158	245	221	254	302	317	268	287	278
Tobacco.....	138	166	158	165	158	158	153	166	177	171
Oil-bearing crops.....	204	203	180	186	181	222	240	219	239	217
Fruit	136	138	133	140	138	127	119	137	130	153
Fresh market ¹	131	132	133	136	139	126	116	136	128	156
Commercial vegetables.....	137	166	160	155	142	153	155	155	165	182
Fresh market.....	154	176	168	159	140	157	170	161	176	202
Potatoes ²	358	192	238	210	246	248	228	199	161	150
Livestock and products.....	173	160	183	189	185	184	179	175	172	165
Meat animals.....	176	157	181	187	186	187	176	166	161	150
Dairy products.....	171	162	190	193	183	181	187	194	196	199
Poultry and eggs.....	162	170	179	188	178	174	179	184	182	174
Prices Paid										
Commodities and services, interest, taxes, and wage rates.....	162	178	192	185	193	195	196	195	195	194
Family living items.....	146	163	173	170	174	175	177	177	178	179
Production items.....	161	179	195	186	196	199	199	198	197	195
Feed.....	182	189	186	187	187	199	206	198	200	192
Feeder livestock.....	169	124	162	148	168	162	154	152	142	145
Interest payable per acre on farm real estate debt	235	281	302	281	302	302	302	302	302	302
Taxes on farm real estate	154	162	169	162	169	169	169	169	169	169
Wage rates (seasonally adjusted).....	175	190	211	196	209	209	213	213	213	213
Production items, interest, taxes, and wage rates.....	168	184	200	192	201	204	204	203	202	201
Prices received (1910-14=100)	479	448	473	487	477	490	488	468	468	446
Prices paid, etc. (Parity index) (1910-14=100).....	549	604	654	629	656	663	665	663	662	659
Parity ratio.....	87	74	72	77	73	74	73	71	71	68

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans.

Prices received by farmers, U.S. average

Commodities	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Crops										
All wheat (\$/bu.)	4.47	3.63	3.52	4.02	3.43	3.42	3.33	2.97	2.88	2.59
Rice, rough (\$/cwt.)	16.75	11.08	7.14	8.85	7.06	7.32	—	6.65	6.56	¹ 6.62
Corn (\$/bu.)	2.58	2.77	2.54	2.62	2.61	2.74	2.82	2.64	2.60	2.33
Sorghum (\$/cwt.)	3.94	4.28	4.14	4.43	4.14	4.29	4.53	4.03	4.20	3.68
All hay, baled (\$/ton)	47.60	51.90	56.60	50.30	64.80	59.60	59.00	58.70	60.80	60.10
Soybeans (\$/bu.)	5.56	5.47	4.83	4.92	4.87	6.16	6.73	6.07	6.65	5.90
Cotton, Upland (cts./lb.)	51.9	35.6	55.0	49.7	57.1	68.0	71.4	60.4	64.5	¹ 62.5
Potatoes (\$/cwt.)	6.78	3.57	5.03	3.63	5.26	5.43	4.85	4.16	3.19	2.98
Dry edible beans (\$/cwt.)	40.80	18.40	17.60	24.40	17.00	16.00	16.60	15.70	15.20	14.30
Apples for fresh use (cts./lb.)	11.3	12.2	8.7	9.3	9.3	7.1	9.5	12.3	13.2	12.6
Pears for fresh use (\$/ton)	² 206	² 178	² 209	140	229	207	140	105	155	207
Oranges, all uses (\$/box) ³	1.67	1.56	2.09	1.71	2.31	2.24	1.53	1.53	1.04	2.03
Grapefruit, all uses (\$/box) ³	1.47	1.73	1.36	1.89	1.87	1.16	1.10	2.19	2.20	4.33
Livestock										
Beef cattle (\$/cwt.)	39.60	31.00	35.40	33.40	36.90	36.30	33.50	32.80	32.40	31.80
Calves (\$/cwt.)	47.40	26.40	36.00	26.60	38.80	37.90	35.20	34.50	33.10	33.10
Hogs (\$/cwt.)	32.60	41.20	47.40	58.30	47.50	49.10	47.70	42.60	39.70	32.90
Lambs (\$/cwt.)	39.30	41.30	51.70	42.60	60.30	51.00	46.90	41.40	41.80	42.70
All milk, sold to plants (\$/cwt.)	8.59	8.21	9.57	9.70	9.23	9.11	9.41	9.75	9.87	¹ 10.00
Milk, manuf. grade (\$/cwt.)	7.58	7.04	8.53	8.77	8.31	8.32	8.60	8.88	8.64	¹ 8.69
Broilers (cts./lb.)	21.3	24.5	24.4	28.5	24.7	24.3	25.4	24.3	23.1	20.9
Eggs (cts./doz.) ⁴	53.2	50.9	56.5	52.9	55.5	53.8	55.5	60.6	62.1	60.8
Turkeys (cts./lb.)	29.3	31.2	32.2	36.4	32.0	31.4	31.2	30.9	30.5	30.7
Wool (cts./lb.) ⁵	66.2	41.6	60.1	52.8	69.5	69.0	70.2	66.5	68.8	76.7

¹ Preliminary. ² January-May average. ³ Equivalent on-tree returns.

⁴ Average of all eggs sold by farmers, including hatching eggs and eggs

sold at retail. ⁵ Average local market price, excluding incentive payments.

WHOLESALE AND RETAIL PRICES

Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct.
1967=100										
All commodities.....	151.8	172.1	180.7	178.9	181.8	183.1	184.3	183.7	184.7	185.2
Industrial commodities.....	144.4	169.2	179.3	174.7	180.4	181.3	182.6	183.6	184.7	186.3
All foods ¹	166.7	183.8	180.8	189.1	182.1	180.1	180.9	176.2	176.5	175.4
Farm products and processed foods and feed	172.2	180.1	183.8	190.5	184.9	187.5	188.1	181.7	182.7	179.4
Farm products.....	190.1	179.0	192.0	197.3	192.6	196.5	196.9	189.3	191.8	186.6
Fruits and vegetables ²	213.0	180.2	184.4	183.3	179.0	160.8	164.7	159.3	180.2	192.0
Grains.....	243.3	226.1	215.0	227.4	213.5	225.1	224.3	207.6	205.5	186.7
Livestock.....	173.2	172.9	183.2	207.8	186.9	185.1	175.9	166.2	161.6	156.1
Poultry, live.....	152.5	176.2	173.2	210.8	174.3	174.9	184.0	179.0	164.9	150.5
Fibers, plant and animal.....	222.5	141.4	198.8	164.5	201.5	235.9	269.0	235.6	242.3	249.8
Milk.....	180.7	168.9	201.5	197.6	194.2	190.2	193.1	200.6	203.5	206.7
Eggs.....	160.3	153.5	169.7	158.4	171.5	165.8	167.7	186.8	188.9	180.7
Oilseeds	207.8	207.6	181.5	184.4	181.2	219.7	239.3	221.5	227.4	209.1
Processed foods and feeds	160.9	180.7	178.6	186.2	179.9	181.8	182.6	176.8	177.1	174.9
Meats.....	158.0	173.4	181.8	209.1	182.8	182.0	175.3	164.7	166.2	158.8
Beef and veal	162.5	165.7	162.8	183.7	162.0	157.9	147.3	144.9	148.0	147.7
Pork	150.8	189.3	212.9	255.5	212.6	220.9	218.0	192.5	194.2	173.6
Poultry	153.3	172.0	170.2	202.6	171.8	172.2	181.2	177.2	166.2	154.5
Fish	212.9	207.6	267.6	231.0	279.9	283.7	278.7	259.9	276.2	273.2
Dairy	148.0	149.1	166.9	165.6	167.1	167.0	170.0	173.9	170.3	169.5
Processed fruits and vegetables.....	142.9	170.7	167.6	169.3	167.9	170.0	169.9	171.3	172.3	173.7
Cereal and bakery products.....	168.0	179.6	174.0	177.6	173.4	173.7	173.6	170.9	169.6	170.0
Sugar and confectionery.....	192.6	291.0	203.2	208.3	208.7	197.4	201.3	185.0	167.3	176.4
Beverages.....	131.0	161.7	168.9	165.1	172.3	172.7	175.7	175.8	176.0	177.2
Vegetable oil end products.....	198.3	227.2	171.3	191.1	173.4	170.6	173.1	172.7	179.9	177.6
Textile products and apparel	137.2	135.6	146.8	141.3	147.0	148.1	149.0	149.2	149.0	149.3
Apparel	126.4	133.1	137.9	133.6	137.9	139.4	140.2	141.1	141.7	142.4
Hides, leather, and related products	144.5	145.2	163.6	152.4	169.6	167.4	169.8	171.3	173.6	170.8
Footwear.....	136.8	146.3	154.6	150.1	156.2	157.8	160.1	160.6	162.6	162.7
Lumber and wood products	191.6	173.8	199.0	179.1	202.3	199.8	203.7	207.5	212.7	213.6
Tobacco products.....	127.0	148.2	160.6	149.1	161.9	161.9	161.9	162.0	162.3	162.5

¹ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm products group. ² Fresh and dried.

Consumer Price Index, U.S. average (not seasonally adjusted)

Items	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
	1967=100									
Consumer price index, all items	143.4	158.3	168.1	164.6	169.2	170.1	171.1	171.9	172.6	173.3
Consumer price index, less food	139.1	154.3	164.7	160.4	166.0	167.0	167.9	168.9	170.0	170.8
All food	158.2	171.9	179.9	179.0	180.0	180.9	182.1	182.4	181.6	181.6
Food away from home	154.9	171.5	183.3	178.0	184.8	185.6	186.9	187.8	188.7	189.3
Food at home	159.1	172.0	179.1	179.3	178.8	179.7	180.9	181.0	179.9	179.6
Meats ¹	166.3	164.7	181.3	194.3	180.6	181.6	182.9	180.1	177.4	172.7
Beef and veal	171.3	161.0	167.0	178.3	167.1	166.5	166.9	163.3	162.3	158.7
Pork	160.8	173.9	205.0	230.9	201.9	205.0	208.7	206.0	200.7	191.7
Poultry	147.5	152.2	159.3	171.6	155.3	160.7	161.9	158.2	155.1	149.2
Fish	184.9	197.8	221.4	210.6	225.1	226.3	227.9	229.3	234.4	234.4
Eggs	163.8	156.4	165.8	159.3	154.5	152.6	164.1	175.7	182.3	179.4
Dairy products ²	151.5	154.6	168.0	159.4	167.4	167.9	168.0	169.0	171.1	172.7
Fats and oils ³	162.6	208.5	174.6	188.8	170.6	170.4	169.7	169.2	171.1	174.3
Fruits and vegetables	165.3	168.6	175.4	165.5	176.4	176.7	177.3	178.3	170.8	175.5
Fresh	166.2	162.9	168.9	156.1	171.7	173.6	175.0	176.6	163.6	171.9
Processed	164.0	177.2	185.0	179.6	183.3	181.3	180.9	180.7	181.4	181.0
Cereals and bakery products	159.0	187.1	181.0	181.6	180.8	181.3	180.9	180.3	180.4	180.1
Sugar and sweets	163.6	260.5	221.8	235.0	219.5	219.3	217.9	218.0	214.9	213.3
Beverages, nonalcoholic	144.5	176.4	197.6	183.7	203.3	208.7	216.3	223.2	227.6	230.7
Apparel commodities less footwear	132.0	139.1	142.6	143.1	144.2	144.1	143.4	145.2	147.8	148.5
Footwear	135.4	143.6	147.7	145.4	149.6	149.5	149.6	151.0	152.3	152.8
Tobacco products	140.0	153.0	159.5	154.3	160.1	160.2	160.4	160.5	160.6	161.0
Beverages, alcoholic	127.8	141.2	145.5	143.3	146.6	146.8	147.5	147.6	147.7	148.3

¹ Beef, veal, lamb, mutton, pork, and processed meat. ² Includes butter. ³ Excludes butter.

FARM-RETAIL PRICE SPREADS

Farm-retail price spreads

Commodities	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct ⁶
Market basket ¹ :										
Retail cost (1967=100)	159.7	169.4	176.0	177.2	175.2	175.9	176.8	176.5	174.8	174.4
Farm value (1967=100)	177.5	178.0	183.3	197.2	181.9	183.2	183.0	178.7	175.4	169.2
Farm-retail spread (1967=100)	148.4	164.0	171.4	164.5	170.9	171.3	172.9	175.1	174.4	177.7
Farmer's share (%)	43	41	40	43	40	40	40	39	39	38
Beef, choice:										
Retail price ² (cts./lb.)	139.8	138.0	141.8	152.4	141.7	140.8	138.2	135.8	134.3	133.5
Carcass value ³ (cts.)	98.7	100.0	91.4	108.9	92.1	91.0	84.9	83.2	83.4	84.9
Net farm value (cts./2.28 lbs.)	86.9	88.2	80.4	97.2	81.2	80.6	74.2	72.8	72.3	75.0
Farm-retail spread (cts.)	52.9	49.8	61.4	55.2	60.5	60.2	64.0	63.0	62.0	58.5
Carcass-retail spread ⁴ (cts.)	41.1	38.0	50.4	43.5	49.6	49.8	53.3	52.6	50.9	48.6
Farm-carcass spread ⁵ (cts.)	11.8	11.8	11.0	11.7	10.9	10.4	10.7	10.4	11.1	9.9
Farmer's share (%)	62	64	57	64	57	57	54	54	54	56
Pork:										
Retail price ² (cts./lb.)	107.2	118.8	140.0	158.7	138.6	140.4	142.1	137.4	132.7	124.8
Wholesale value ³ (cts.)	74.4	91.2	100.5	121.6	101.4	101.8	98.6	92.0	88.6	79.2
Net farm value (cts./1.97 lbs.)	57.0	74.9	87.5	104.0	88.2	91.7	86.3	78.7	70.1	57.6
Farm-retail spread (cts.)	50.2	43.9	52.5	54.7	50.4	48.7	55.8	58.7	62.6	67.2
Carcass-retail spread ⁴ (cts.)	32.8	27.6	39.5	37.1	37.2	38.6	43.5	45.4	44.1	45.6
Farm-carcass spread ⁵ (cts.)	17.4	16.3	13.0	17.6	13.2	10.1	12.3	13.3	18.5	21.6
Farmer's share (%)	53	63	62	66	64	65	61	57	53	46

Farm-retail price spreads¹—Continued

Commodities	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct ⁶
Milk, fresh:										
Retail price (cts./%gal.)	78.8	78.4	82.4	78.7	82.0	82.2	81.9	82.0	82.9	84.3
Farm value (cts./4.39 lbs. Class I)	41.9	39.9	46.2	42.9	45.5	44.7	44.8	45.4	47.4	47.5
Farm-retail spread (cts.)	36.9	38.5	36.2	35.8	36.5	37.5	37.1	36.6	35.5	36.8
Farmer's share (%)	53	51	56	55	55	54	55	55	57	56
Chicken, frying:										
Retail price (cts./lb.)	55.7	58.9	61.3	66.8	59.4	62.0	62.6	60.7	59.4	56.7
Farm value (cts./1.41 lbs. broilers)	30.6	33.7	34.1	40.2	32.1	34.5	36.9	34.8	32.4	28.9
Farm-retail spread (cts.)	25.1	25.2	27.2	26.6	27.3	27.5	25.7	25.9	27.0	27.8
Farmer's share (%)	55	57	56	60	54	56	59	59	55	51
Eggs, large grade A										
Retail price (cts./doz.)	79.8	76.3	80.8	77.7	75.2	74.4	80.0	85.7	89.0	87.6
Farm value (cts./1.03 doz.)	54.0	49.2	54.2	50.6	50.5	47.9	53.9	61.8	63.3	58.8
Farm-retail spread (cts.)	25.8	27.1	26.6	27.1	24.7	26.5	26.1	23.9	25.7	28.8
Farmer's share (%)	68	64	67	65	67	64	67	72	71	67
Bread, white:										
Retail price (cts./lb.)	33.6	36.8	35.3	35.2	35.3	35.6	35.4	35.3	35.4	35.3
Farm value (cts./0.867 lb. wheat)	5.5	4.4	4.3	4.8	4.2	4.2	4.1	3.5	3.3	3.0
Farm value (cts. for all farm ingredients)	7.6	6.9	6.2	7.0	6.1	6.0	6.0	5.3	4.9	4.7
Farm-retail spread (cts.)	26.0	29.9	29.1	28.2	29.2	29.6	29.4	30.0	30.5	30.6
Farmer's share (%)	23	19	18	20	17	17	17	15	14	13
Lettuce:										
Retail price (cts./head)	39.7	41.4	41.2	41.0	44.9	40.7	41.7	57.0	53.9	70.1
Farm value (cts./1.88 lbs.)	12.2	12.8	14.1	13.9	11.3	11.9	15.8	18.8	23.0	30.3
Farm-retail spread (cts.)	27.5	28.6	27.1	27.1	33.6	28.8	25.9	38.2	30.9	39.8
Farmer's share (%)	31	31	34	34	25	29	38	33	43	43
Potatoes:										
Retail price (cts./10 lbs.)	193.8	112.6	158.8	142.5	166.0	177.1	162.0	146.7	127.5	119.7
Farm value (cts./10.42 lbs.)	70.8	37.6	52.4	37.8	54.8	56.6	50.5	43.3	33.8	31.0
Farm-retail spread (cts.)	123.0	75.0	106.4	104.7	111.2	120.5	111.5	103.4	93.7	88.7
Farmer's share (%)	37	33	33	27	33	32	31	30	27	26
Tomatoes:										
Retail price (cts./lb.)	58.5	60.4	58.5	46.2	60.3	52.6	62.2	46.4	47.4	59.5
Farm value (cts./1.18 lbs.)	22.1	25.0	23.1	17.5	16.3	28.6	23.2	21.3	17.1	27.6
Farm-retail spread (cts.)	36.4	35.4	35.4	28.7	44.0	24.0	39.0	25.1	30.3	31.9
Farmer's share (%)	38	41	39	38	27	54	37	46	36	46
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	25.5	27.9	29.2	28.4	29.2	29.3	29.2	28.5	28.3	28.0
Farm value (cts./3.08 lbs.)	9.2	8.4	10.4	18.8	11.0	11.3	11.0	11.0	11.0	11.0
Farm-retail spread (cts.)	16.3	19.5	18.8	19.6	18.2	18.0	18.2	17.5	17.3	17.0
Farmer's share (%)	36	30	36	31	38	39	38	39	39	39
Margarine:										
Retail price (cts./lb.)	51.2	67.2	53.1	58.9	51.6	51.1	51.1	50.7	51.9	53.0
Farm value (cts. for veg. oil and NFDM)	23.1	22.9	14.4	17.9	13.4	15.1	19.1	16.8	20.1	17.5
Farm-retail spread (cts.)	28.1	44.3	38.7	41.0	38.2	36.0	32.0	33.9	31.8	35.5
Farmer's share (%)	45	34	27	30	26	30	37	33	39	33

¹ For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61 and selected items. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling,

processing, transporting, and distributing these foods. Data are preliminary. ² Composite monthly average prices of all cuts adjusted for volume sold at special prices-derived from BLS and food chain prices. ³ For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed. ⁶ Preliminary.

FOOD SUPPLY AND USE

Civilian per capita consumption of major food commodities (retail weight)¹

Commodity	1960	1967	1970	1971	1972	1973	1974	1975 ²	1976 forecast as percent of 1975
	Pounds								Pct.
Meats:	134.2	145.1	151.2	156.4	153.3	142.3	152.2	145.3	105
Beef	64.3	78.8	84.1	83.6	85.9	81.1	86.4	88.9	107
Veal	5.2	3.2	2.4	2.2	1.8	1.5	1.9	3.5	89
Lamb and mutton	4.3	3.5	2.9	2.8	2.9	2.4	2.0	1.8	89
Pork (excluding lard)	60.4	59.6	61.8	67.8	62.7	57.3	61.9	51.0	104
Fish (edible weight)	10.3	10.6	11.8	11.5	12.5	12.9	12.1	12.1	102
Poultry products:									
Eggs	42.4	40.7	39.5	39.8	39.0	37.3	36.6	35.3	99
Chicken (ready-to-cook)	27.8	36.5	40.5	40.4	42.0	40.7	41.1	40.3	109
Turkey (ready-to-cook)	6.2	8.6	8.0	8.4	9.0	8.5	8.9	8.6	105
Dairy products:									
Cheese	8.3	10.1	11.5	12.2	13.2	13.7	14.6	14.5	108
Condensed and evapo- rated milk	13.7	9.0	7.1	6.8	6.3	6.0	5.6	5.3	96
Fluid milk and cream (product weight)	321.0	303.0	296.0	296.0	298.0	293.0	288.0	291.2	101
Ice cream (product weight)	18.3	17.8	17.7	17.5	17.4	17.5	17.5	18.5	97
Fats and Oils—Total									
fat content	45.3	49.4	53.3	52.2	54.2	54.3	53.2	53.3	104
Butter (actual weight)	7.5	5.5	5.3	5.1	4.9	4.8	4.6	4.8	90
Margarine (actual weight)	9.4	10.5	11.0	11.1	11.3	11.3	11.3	11.2	103
Lard	7.6	5.4	4.7	4.3	3.8	3.4	3.2	2.9	93
Shortening	12.6	15.9	17.3	16.8	17.7	17.3	17.0	17.3	107
Other edible fats and oils	11.5	15.2	18.2	18.0	19.7	20.8	20.3	20.3	107
Fruits:									
Fresh:	89.6	79.1	79.5	77.6	75.1	73.8	76.2	81.0	99
Citrus	32.5	30.6	27.7	28.2	26.3	26.4	26.5	28.6	99
Noncitrus	57.1	48.5	51.8	49.5	48.7	47.4	49.7	52.4	100
Processed:									
Canned fruit	22.6	22.6	23.3	21.9	21.4	21.3	19.8	19.1	103
Canned juice	13.0	11.7	14.6	15.9	15.5	15.9	14.7	14.7	101
Frozen (including juices)	9.1	10.1	9.8	10.2	10.1	11.2	11.3	12.6	97
Chilled citrus juices	2.1	4.4	4.7	4.8	5.2	5.3	5.5	6.0	108
Dried	3.1	2.8	2.7	2.6	2.0	2.6	2.5	3.3	70
Vegetables:									
Fresh ³	96.0	90.8	91.0	91.8	90.7	92.4	93.6	93.3	101
Canned (excluding pota- toes and sweetpotatoes)	43.4	49.0	51.1	51.2	52.2	54.3	53.5	53.2	102
Frozen (excluding potatoes)	7.0	9.0	9.6	9.7	9.9	10.6	10.2	9.6	99
Potatoes ⁴	104.0	104.3	114.0	115.0	115.4	112.6	110.7	120.2	96
Sweetpotatoes ⁴	6.5	5.3	5.2	4.5	4.7	4.7	5.1	5.0	100

See footnotes at end of table.

Civilian per capita consumption of major food commodities (retail weight)—Continued

Commodity	1960	1967	1970	1971	1972	1973	1974	1975 ²	1976 forecast as percent of 1975
Grains:									
Wheat flour ⁵	118	112	110	110	109	109	106	107	100
Rice	6.1	7.5	6.7	7.7	7.0	7.0	7.6	7.7	94
Other:									
Coffee	11.6	11.1	10.5	10.0	10.5	10.1	9.4	9.0	100
Tea	.6	.7	.7	.8	.8	.8	.8	.8	100
Cocoa	2.9	3.4	3.1	3.2	3.5	3.4	2.7	2.4	108
Peanuts (shelled)	4.9	5.7	5.9	5.9	6.2	6.6	6.4	6.8	101
Dry edible beans	7.3	6.9	5.9	5.9	6.4	6.5	6.7	6.4	98
Melons	23.2	20.3	21.2	20.5	19.9	19.7	17.2	17.5	108
Sugar (refined)	97.6	97.3	102.5	102.4	103.0	102.1	93.9	87.7	103

¹Quantity in pounds, retail weight unless otherwise shown. Data on calendar year basis except for dried fruits, fresh citrus fruits, peanuts, and rice which are on a crop-year basis. ²Preliminary. ³Commercial production for sale as fresh produce. ⁴Including fresh equivalent of processed. ⁵White, whole wheat, and semolina flour including use

in bakery products.

Note: Historical consumption and supply-utilization data for food may be found in *Food Consumption, Prices, and Expenditures*. Ag. Econ. Report 138 and annual supplements, ERS, USDA.

Per capita food consumption indexes¹

Per capita 1960 consumption indexes											
Year	Meat	Poultry	Fish	Eggs	Dairy products ²	Fats and oils			Fruits ³		
						Animal ²	Vegetable	Total	Fresh	Processed	Total
1967=100											
1967.....	100	100	100	100	100	100	100	100	100	100	100
1968.....	103	99	102	99	101	103	104	103	98	97	97
1969.....	102	103	102	98	100	95	110	105	98	102	100
1970.....	104	108	109	99	99	90	116	107	101	103	102
1971.....	107	109	105	97	99	90	113	105	98	106	102
1972.....	105	113	113	95	100	84	122	109	94	105	100
1973.....	98	107	119	91	99	78	127	110	93	110	102
1974.....	105	109	112	89	98	76	124	107	98	106	102
1975.....	101	106	111	86	99	76	125	108	103	113	108
1976 ⁶	106	115	113	85	100	69	134	111	102	112	107

	Vegetables ⁴			Potatoes and sweetpotatoes		Cereal products	Sugar and sweet- eners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops ⁵	Total
1967=100											
1967.....	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968.....	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969.....	99	104	101	94	118	101	104	97	101.2	102.0	101.5
1970.....	100	104	101	91	121	98	106	94	102.5	103.1	102.8
1971.....	99	105	101	87	124	99	106	92	103.8	102.8	103.3
1972.....	99	108	102	89	123	98	108	98	103.6	104.1	103.8
1973.....	100	113	104	82	126	98	110	96	99.1	105.3	101.9
1974.....	100	111	104	78	129	96	105	91	101.7	103.4	102.5
1975.....	100	109	104	88	131	97	100	87	99.8	104.0	101.7
1976 ⁶	101	110	104	83	126	97	103	86	103.2	104.8	103.9

¹Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. ²Includes butter. ³Excludes melons and baby food. ⁴Excludes soup, baby food, dry beans and

peas, potatoes, and sweetpotatoes. ⁵Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

⁶Preliminary.

LIVESTOCK AND PRODUCTS: PRICES, SUPPLIES AND USE

Dairy:

Items	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Milk production:										
Total milk (mil. lb.)	59,686	59,555	61,542	9,173	11,184	10,865	10,448	10,132	9,652	9,585
Milk per cow (lb.)	5,313	5,326	5,559	825	1,011	982	946	917	874	876
Number of milk cows (thou.)	11,235	11,182	11,070	11,116	11,061	11,061	11,050	11,047	11,041	11,053
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	7.56	6.93	8.47	8.60	8.30	8.32	8.71	8.99	8.46	8.26
Price of 16% dairy ration (\$/ton)	129	135	137	136	137	143	145	145	147	145
Milk-feed price ratio (lb.) ²	1.48	1.30	1.60	1.56	1.51	1.42	1.42	1.52	1.53	1.60
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,207	5,886	3,844	5,133	4,850	5,846	6,570	6,949	6,995	6,720
Commercial (mil. lb.)	4,732	5,576	3,719	4,698	4,766	5,751	6,470	6,835	6,917	6,661
Government (mil. lb.)	476	310	124	435	84	94	100	114	78	60
Imports, total milk equiv. (mil. lb.) ³	1,861	580	794	191	118	142	139	132	141	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	588	2,341	84	2.1	14.7	33.0	63.5	3.3	2.5	107.7
Butter:										
Production (mil. lb.)	519.0	579.6	534.7	68.3	94.0	84.0	72.4	66.0	63.4	—
Stocks, beginning (mil. lb.)	46.4	49.2	10.9	39.6	44.5	69.1	80.9	83.0	82.4	68.1
Wholesale price, Grade A										
Chicago (cts./lb.)	65.0	68.4	87.9	93.0	89.9	95.0	105.8	106.2	92.4	90.8
USDA net removals (mil. lb.)	24.5	81.8	.4	0	0	0	0	0	0	4.9
Commercial disappearance (mil. lb.)	429.9	494.0	464.5	78.7	70.0	72.5	70.8	64.9	76.9	—
American cheese:										
Production (mil. lb.)	1,057.2	885.8	1,063.3	120.0	204.1	207.3	189.0	177.1	157.2	—
Stocks, beginning (mil. lb.)	290.3	420.9	307.8	369.2	333.8	375.7	417.4	444.6	452.5	465.4
Wholesale price, Wisconsin assembly										
pt. (cts./lb.)	84.9	78.5	95.4	99.0	94.9	95.5	100.1	106.2	98.1	93.3
USDA net removals (mil. lb.)	3.7	63.2	4.7	0	1.1	3.1	6.2	0	0	4
Commercial disappearance (mil. lb.)	957.9	840.5	949.5	153.2	161.0	162.8	155.7	169.7	153.1	—
Other cheese:										
Production (mil. lb.)	536.3	563.6	632.6	100.2	109.5	112.8	107.6	106.8	110.2	—
Stocks, beginning (mil. lb.)	67.5	73.1	60.8	61.3	59.3	60.0	63.3	66.8	65.7	66.2
Commercial disappearance (mil. lb.)	616.1	630.3	700.3	117.7	120.3	123.7	119.9	123.0	126.8	—
Nonfat dry milk:										
Production (mil. lb.)	543.9	620.3	517.8	45.5	104.9	108.9	94.7	75.2	61.2	—
Stocks, beginning (mil. lb.)	74.6	293.2	468.9	512.5	442.0	463.6	479.5	497.2	505.6	494.8
Wholesale Price, avg. manf. (cts./lb.)	60.1	60.4	63.7	68.9	62.8	62.8	62.8	63.0	63.6	—
USDA net removals (mil. lb.)	49.8	369.4	63.2	⁴ 4.7	16.0	22.5	27.6	10.6	9.7	8.9
Commercial disappearance (mil. lb.)	489.2	274.9	382.7	63.0	66.0	63.3	67.8	67.6	63.7	—
Frozen dessert production (mil. gal.)⁵	552.6	580.9	572.4	91.0	100.6	118.1	119.2	113.8	101.2	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Domestic unrestricted sales exceeded purchases. ⁵ Ice cream, ice milk, and sherbert.

Meat animals:

Items	January-June			1975		1976				
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	9,353	6,369	8,533	6,656	7,519	7,254	7,074	6,666	6,432	6,572
Placed on feed (thou. head) ²	7,851	7,780	8,496	2,297	1,324	1,387	1,148	1,404	1,663	2,303
Marketings (thou. head)	9,195	7,614	9,284	1,307	1,489	1,457	1,500	1,586	1,467	1,487
Other disappearance (thou. head)	863	529	671	69	100	110	56	52	56	86
Beef steer-corn price ratio, Omaha (bu.) ³	15.9	14.7	15.0	17.4	14.8	14.2	13.4	13.8	14.3	16.0
Hog-corn price ratio, Omaha (bu.) ³	12.2	14.9	18.1	21.1	17.7	17.6	16.8	16.2	15.1	13.7
Commercial slaughter (thou. head)										
Cattle	17,331	19,283	21,080	3,987	3,238	3,576	3,483	3,675	3,749	—
Steers	9,880	9,423	9,365	1,431	1,496	1,670	1,651	1,705	1,661	—
Heifers	4,027	4,736	6,143	1,104	923	987	940	1,026	1,053	—
Cows	3,080	4,643	5,078	1,336	738	826	808	856	945	—
Bulls and stags	344	481	494	116	81	93	84	88	90	—
Calves	1,199	2,205	2,566	591	367	410	410	443	495	—
Sheep and lambs	4,302	3,870	3,277	732	448	524	547	585	646	—
Hogs	41,163	36,567	34,251	5,637	5,331	5,400	5,132	6,214	6,638	—
Commercial production (mil. lb.)										
Beef	11,072	11,435	12,634	2,270	1,966	2,161	2,110	2,233	2,274	—
Veal	167	348	384	95	56	63	62	67	75	—
Lamb and mutton	228	198	176	38	23	27	28	30	34	—
Pork	6,909	5,967	5,677	936	879	899	848	1,020	1,084	—
Market prices	Dol. per 100 pounds									
Slaughter cattle:										
Choice steers, Omaha	42.73	41.88	40.06	47.90	40.62	40.52	37.92	37.02	36.97	37.88
Utility cows, Omaha	30.07	20.50	27.51	22.01	30.24	27.47	25.80	25.10	22.90	22.72
Choice vealers, S. St Paul	58.77	40.43	47.42	42.52	44.95	37.60	34.51	41.52	39.84	47.25
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	43.79	31.03	41.54	38.09	44.21	42.83	39.18	38.94	36.18	36.72
Slaughter hogs:										
Barrows and Gilts, No. 1&2, Omaha ⁴	34.82	43.60	49.62	59.77	49.78	51.91	48.96	44.64	40.16	33.10
Barrows and Gilts, 7-markets	33.20	42.73	48.59	58.52	48.89	50.80	48.26	44.00	39.39	32.66
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	28.67	39.55	47.01	56.55	44.57	38.85	30.45	31.02	27.69	21.75
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	42.71	43.96	55.06	44.50	62.12	50.81	47.81	40.62	42.88	45.56
Ewes, Good, San Angelo	18.64	16.02	18.08	12.35	19.75	17.56	19.44	17.69	15.90	16.12
Feeder lambs:										
Choice, San Angelo	39.86	39.88	54.20	42.62	59.56	48.56	49.38	45.94	46.65	47.31
Wholesale meat prices, Midwest ⁵										
Choice steer beef, 600-700 lb.	68.85	69.30	62.96	75.62	63.56	62.45	58.20	57.05	57.24	58.36
Canner and Cutter cow beef	62.38	42.60	55.55	44.10	59.12	54.88	53.48	51.62	47.75	46.44
Pork loins, 8-14 lb.	71.27	83.96	93.09	109.22	94.67	97.88	97.40	85.26	83.43	72.55
Pork bellies, 12-14 lb.	46.25	68.20	72.62	91.44	73.04	79.16	74.10	73.58	63.61	47.94
Hams, skinned, 14-17 lb.	59.95	72.17	83.07	105.70	82.86	81.76	77.32	74.66	72.18	69.67

First Half

1975

1976

Cattle on feed (23-States):	1974	1975	1976	II	III	IV	I	II	III	IV
Number on feed (thou. head) ¹	13,067	9,619	12,296	8,473	8,542	9,301	12,296	10,892	10,036	9,264
Placed on feed (thou. head) ²	10,554	10,308	11,058	5,550	6,025	8,317	5,459	5,599	5,673	—
Marketings (thou. head)	12,270	10,540	11,920	5,028	5,014	4,940	6,350	5,937	6,170	⁷ 5,490
Other disappearance (thou. head)	1,304	845	1,031	453	252	382	513	518	275	—
Hogs and pigs (14-States): ⁶										
Inventory (thou. head) ¹	52,825	47,170	41,855	40,330	40,955	41,535	41,855	40,865	44,918	—
Breeding (thou. head) ¹	7,445	6,283	6,368	6,080	6,191	6,011	6,368	6,706	6,916	—
Market (thou. head) ¹	45,380	40,887	35,487	34,250	34,764	35,524	35,487	34,159	38,002	—
Farrowings (thou. head)	5,591	5,503	4,206	2,428	2,088	2,103	2,047	2,815	2,476	—
Pig crop (thou. head)	39,834	38,703	30,009	17,469	15,020	15,182	14,552	20,743	18,104	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago;

annual 1975 midwest markets. ⁶ Annual is Dec. preceding year to Nov. listed; quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Poultry and eggs:

Items	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Eggs										
Farm production (mil.)	33,472	32,031	32,319	5,448	5,452	5,264	5,396	5,378	5,229	5,424
Average number of layers on farms (mil.)	290	278	275	277	270	269	268	270	274	276
Rate of lay (eggs per layer)	115.3	115.4	117.6	19.7	20.2	19.6	20.1	19.9	19.1	19.6
Wholesale price, New York, grade A large (cts./doz.)	56.7	54.5	59.7	56.6	58.4	58.8	63.1	68.6	69.2	67.5
Price of laying feed (\$/ton)	146	148	146	148	146	156	162	158	159	154
Egg-feed price ratio (lb.) ¹	7.3	6.9	7.8	7.1	7.6	6.9	6.9	7.7	7.8	7.9
Stocks, beginning of period:										
Shell (thou. cases)	34	36	22	72	26	22	25	58	66	46
Frozen (mil. lb.)	43.2	54.2	36.3	51.0	29.4	29.1	30.3	31.6	31.0	28.7
Replacement chicks hatched (mil.)	269.0	253.0	264.2	34.8	47.6	41.9	38.0	38.1	37.4	36.5
Broilers										
Federally inspected slaughter, certified (mil. lb.)	4,060.8	3,894.5	4,430.2	739.8	745.4	825.9	766.0	805.2	800.3	—
Wholesale price, 9-city, (cts./lb.)	37.3	42.5	41.9	47.7	42.1	42.1	43.2	41.6	39.7	36.4
Price of broiler grower feed (\$/ton)	160	165	162	164	161	172	181	177	179	170
Broiler-feed price ratio (lb.) ¹	2.6	3.0	3.0	3.5	3.1	2.8	2.8	2.7	2.6	2.5
Stocks, beginning of period (mil. lb.)	33.4	37.2	22.3	22.7	19.0	17.4	20.0	25.7	26.6	24.3
Average weekly placements of broiler chicks, 21 States (mil.)	61.8	58.8	65.6	54.5	67.8	68.4	64.8	63.5	60.0	57.9
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	569.2	455.4	575.2	257.5	106.5	182.2	213.9	243.8	252.8	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	45.0	49.8	48.8	58.1	48.9	47.6	49.5	48.1	48.0	47.8
Price of turkey grower feed (\$/ton)	164	167	167	170	165	178	187	181	181	177
Turkey-feed price ratio (lb.) ¹	3.6	3.7	3.9	4.2	3.9	3.5	3.3	3.4	3.4	3.5
Stocks, beginning of period (mil. lb.)	281.0	275.0	195.2	409.8	114.5	120.5	177.8	262.0	369.9	457.7
Poults hatched (mil.)	102.1	92.1	102.2	4.5	20.2	19.6	15.4	8.1	4.3	4.9

¹Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Wool:

	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
U.S. wool price, Boston ¹ (cts./lb.)	199	130	177	172	178	178	183	183	188	193
Imported wool price, Boston ² (cts./lb.)	242	180	206	168	210	212	212	214	221	228
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	40,716	42,451	58,553	10,313	8,756	11,064	7,324	7,612	9,010	—
Carpet wool (thou. lb.)	11,310	7,699	7,056	1,485	1,024	1,412	879	1,428	1,783	—

¹Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2-3/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ²Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty.

CROPS AND PRODUCTS: PRICES, SUPPLIES AND USE

Supply and utilization of major crops¹

Commodity	Domestic measure ²				Metric measure ²			
	1973/74	1974/75	1975/76	1976/77	1973/74	1974/75	1975/76	1976/77
			Preliminary	Projected			Preliminary	Projected
Wheat: ³								
	Mil. acres				Mil. hectares			
Area								
Set aside	7.4	—	—	—	3.0	—	—	—
Planted	59.0	71.4	75.1	80.2	23.9	28.9	30.4	32.5
Harvested	53.9	65.6	69.7	70.4	21.8	26.5	28.2	28.5
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	31.7	27.4	30.6	30.2	2.13	1.84	2.06	2.03
	Mil. bu.				Mil. metric tons			
Beginning stocks	599	339	430	664	16.3	9.2	11.7	18.1
Production	1,705	1,796	2,134	2,127	46.4	48.9	58.1	57.9
Imports	1	3	2	2	.03	.1	.1	.1
Supply, total	2,307	2,138	2,566	2,793	62.8	58.2	69.8	76.0
Domestic	751	690	729	795 ±35	20.4	18.8	19.8	21.6 ±1.0
Exports	1,217	1,018	1,173	1,050 ±100	33.1	27.7	31.9	28.6 ±2.7
Use, total	1,968	1,708	1,902	1,845 ±90	53.6	46.5	51.8	50.2 ±2.4
Ending stocks	339	430	664	948 ±90	9.2	11.7	18.1	25.8 ±2.4
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	3.95	4.09	3.52	³ 3.04	145.14	150.28	129.34	³ 111.70
Price, Kansas City, No. 1 HRW	4.51	4.20	3.74	³ 3.27	165.71	154.32	137.42	³ 120.15
Rice:								
	Mil. acres				Mil. hectares			
Area								
Allotment	2.22	2.10	1.80	1.80	.90	.85	.73	.73
Planted	2.18	2.56	2.82	2.45	.88	1.05	1.14	.99
Harvested	2.17	2.54	2.80	2.43	.88	1.04	1.13	.98
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	4,274	4,432	4,555	4,620	4.79	4.97	5.11	5.18
	Mil. cwt.				Mil. metric tons			
Beginning stocks	5.1	7.8	7.1	36.9	.23	.35	.32	1.67
Production	92.8	112.4	127.6	112.4	4.21	5.10	5.79	5.10
Imports . . . . .	.2	—	—	—	.01	—	—	—
Supply, total	98.1	120.2	134.7	149.3	4.45	5.45	6.11	6.77
Domestic	37.0	41.0	40.2	42.8 ±1.0	1.68	1.86	1.82	1.94 ±.05
Exports	49.7	69.5	56.5	61.5 ±5.0	2.25	3.16	2.56	2.79 ±.23
Use, total	86.7	110.5	96.7	104.3 ±5.0	3.93	5.01	4.39	4.73 ±.23
Ending stocks	7.8	7.1	36.9	45.0 ±7.0	.35	.32	1.67	2.04 ±.32
Difference unaccounted	+3.6	+2.7	+1.1	—	.17	.12	.05	—
	Dol. per cwt.				Dol. per metric ton			
Price received by farmers	13.80	11.20	7.93	³ 6.79	304.24	246.92	174.83	³ 149.69
Price, long-grain milled, S.W. La. . . .	30.40	21.50	17.20	³ 14.18	670.65	473.99	379.19	³ 312.61

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

Commodity	Domestic measure ²				Metric measures ²					
	1973/74	1974/75	1975/76	1976/77	1973/74	1974/75	1975/76	1976/77		
			Preliminary	Projected			Preliminary	Projected		
Feed grains: ⁴										
Area			Mil. acres				Mil. hectares			
Set aside	9.4	—	—	—	3.8	—	—	—		
Planted	121.4	122.5	123.1	129.3	49.1	49.6	49.8	52.3		
Harvested	102.3	100.6	104.8	106.8	41.4	40.7	42.4	43.2		
Yield per harvested unit			Short tons per acre				Metric tons per hectare			
	2.00	1.64	1.93	1.95	4.49	3.69	4.33	4.36		
			Mil. short tons				Mil. metric tons			
Beginning stocks	33.9	23.7	16.8	19.1	30.8	21.5	15.2	17.2		
Production	205.0	165.3	202.4	207.8	186.0	150.0	183.5	188.5		
Imports . . . . .	.2	.6	.5	.4	.2	.5	.5	.4		
Supply, total	239.1	189.6	219.7	227.3	216.9	172.0	199.2	206.1		
Feed	153.3	115.7	127.4	134.2	±5	139.1	105.0	115.6	121.7	±5
Food, seed, and industrial uses	17.6	17.7	18.1	18.8	16.0	16.1	16.4	17.1		
Domestic, total	170.9	133.4	145.5	153.0	±5	155.0	121.1	132.0	138.8	±5
Exports	44.5	39.4	55.1	51.6	±4	40.4	35.7	50.0	46.8	±4
Use, total	215.4	172.8	200.6	204.6	±4	195.4	156.8	182.0	185.6	±4
Ending stocks	23.7	16.8	19.1	22.7	±4	21.5	15.2	17.2	20.5	±4
Corn:										
Area			Mil. acres				Mil. hectares			
Set aside	6.0	—	—	—	2.4	—	—	—		
Planted	71.9	77.8	77.9	84.1	29.1	31.5	31.5	34.0		
Harvested	61.9	65.4	66.9	71.0	25.0	26.5	27.1	28.7		
Yield per harvested unit			Bu. per acre				Metric tons per hectare			
	91.2	71.4	86.2	85.5	5.73	4.47	5.41	5.36		
			Mil. bu.				Mil. metric tons			
Beginning stocks	709	483	359	399	18.0	12.2	9.1	10.2		
Production	5,647	4,664	5,767	6,063	143.4	118.5	146.5	154.0		
Imports	1	2	2	1	(⁵)	.1	.1	(⁵)		
Supply, total	6,357	5,149	6,128	6,463	161.4	130.8	155.7	164.2		
Feed	4,183	3,191	3,553	3,800	±150	106.3	81.1	90.2	96.5	±4
Food, seed, and industrial uses	448	450	465	485	11.4	11.4	11.8	12.3		
Domestic, total	4,631	3,641	4,018	4,285	±150	117.5	92.5	102.0	108.8	±4
Exports	1,243	1,149	1,711	1,600	±100	31.6	29.2	43.5	40.6	±3
Use, total	5,874	4,790	5,729	5,885	±100	149.1	121.7	145.5	149.4	±3
Ending stocks	483	359	399	578	±100	12.2	9.1	10.2	14.8	±3
			Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.55	3.03	⁶ 2.55	³ 2.33	100.39	119.28	⁶ 100.39	³ 91.73		
Price, Chi., No. 2 yellow	2.95	3.12	2.75	³ 2.50	116.14	122.83	108.26	³ 98.42		

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

Commodity	Domestic Measure ²				Metric Measure ²				
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	
Cotton: ⁷									
Area	Mil. acres				Mil. hectares				
Set aside	—	—	—	—	—	—	—	—	
Planted	12.6	13.7	9.6	11.8	5.1	5.5	3.8	4.8	
Harvested	12.0	12.6	8.8	10.9	4.8	5.1	3.6	4.4	
Yield per harvested unit	Lb. per acre				Metric tons per hectare				
	520	441	453	435	.58	.49	.51	.49	
	Mil. 480-lb. bales				Mil. metric tons				
Beginning stocks	⁸ 4.2	⁸ 3.8	⁸ 5.7	3.7	.9	.8	1.2	.8	
Production	13.0	11.5	8.3	9.9	2.8	2.5	1.8	2.2	
Supply, total ⁹	17.2	15.4	14.1	13.6	3.8	3.3	3.1	3.0	
Mill use	7.5	5.9	7.3	6.6	±.3	1.6	1.3	1.6	±.1
Exports	6.1	3.9	3.3	4.3	±.3	1.3	.9	.7	±.1
Use, total	13.6	9.8	10.6	10.9	±.3	3.0	2.1	2.3	±.1
Difference unaccounted ¹⁰2	.1	.2	.2	(⁵)	(⁵)	(⁵)	(⁵)	
Ending stocks	⁸ 3.8	⁸ 5.7	3.7	3.0	±.3	.8	1.2	.8	±.1
	Cts. per lb.				Cts. per kilogram				
Price received by farmers	44.4	42.7	⁶ 49.9	—	97.9	94.1	⁶ 110.0	—	
Price, SLM, 1-1/16 in., spot	67.1	41.7	58.0	³ 74.2	147.9	91.9	127.9	³ 163.6	
Soybeans:									
Area	Mil. acres				Mil. hectares				
Planted	56.7	53.5	54.6	50.3	22.9	21.7	22.1	20.4	
Harvested	55.8	52.4	53.6	49.4	22.6	21.2	21.7	20.0	
Yield per harvested unit	Bu. per acre				Metric tons per hectare				
	27.7	23.2	28.4	25.3	1.86	1.56	1.91	1.70	
	Mil. bu.				Mil. metric tons				
Beginning stocks	60	171	185	244	1.7	4.7	5.0	6.6	
Production	1,547	1,215	1,521	1,252	42.1	33.1	41.4	34.1	
Supply, total	1,607	1,386	1,706	1,496	43.8	37.8	46.4	40.7	
Crushings	821	701	865	790	±30	22.3	19.1	23.5	±.8
Exports	539	421	555	540	±30	14.7	11.5	15.1	±.8
Seed, feed, and residual	76	79	42	81	2.1	2.2	1.1	2.2	
Use, total	1,436	1,201	1,462	1,411	±60	39.1	32.8	39.8	±1.6
Ending stocks	171	185	244	85	±25	4.7	5.0	6.6	±.7
	Dol. per bu.				Dol. per metric ton				
Price received by farmers	5.68	6.64	⁶ 5.00	³ 6.28	208.70	243.98	⁶ 183.72	³ 230.75	
Price, Chi., No. 1 yellow	6.12	6.33	5.25	³ 6.41	224.81	232.59	192.90	³ 235.53	

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

Commodity	Domestic measure ²				Metric measure ²			
			1975/76	1976/77			1975/76	1976/77
	1973/74	1974/75	Preliminary	Projected	1973/74	1974/75	Preliminary	Projected
Soybean oil:	Mil. lb.				Thou. metric tons			
Beginning stocks	516	794	561	1,254	234	360	254	569
Production	8,995	7,376	9,630	8,376 ±300	4,080	3,346	4,368	3,799 ±136
Supply, total	9,511	8,170	10,191	9,630 ±300	4,314	3,706	4,623	4,368 ±136
Domestic	7,282	6,581	7,961	7,600 ±250	3,303	2,985	3,611	3,447 ±113
Exports	1,435	1,028	976	1,150 ±200	651	466	443	522 ±91
Use, total	8,717	7,609	8,937	8,750 ±400	3,954	3,451	4,054	3,969 ±181
Ending stocks	794	561	1,254	880 ±300	360	254	569	399 ±136
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	31.5	30.7	18.3	³ 20.7	69.4	67.7	40.3	³ 45.6
Soybean meal:	Thou. short tons				Thou. metric tons			
Beginning stocks	183	507	358	355	166	460	325	322
Production	19,674	16,702	20,753	18,760 ±750	17,848	15,152	18,827	17,019 ±680
Supply, total	19,857	17,209	21,111	19,115 ±750	18,014	15,612	19,152	17,341 ±680
Domestic	13,802	12,552	15,611	13,750 ±700	12,521	11,387	14,162	12,474 ±635
Exports	5,548	4,299	5,145	4,800 ±300	5,033	3,900	4,667	4,354 ±272
Use, total	19,350	16,851	20,756	18,550 ±1,000	17,554	15,287	18,830	16,828 ±907
Ending stocks	507	358	355	565 ±150	460	325	322	513 ±136
	Dol. per short ton				Dol. per metric ton			
Price, bulk, Decatur, 44%	146.35	130.86	147.78	³ 169.60	161.32	144.25	162.90	³ 186.95

¹Marketing years beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ²Conversions between measures may not exactly convert or add due to rounding. Conversion factors: Hectare (ha.) = 2.471 acres; and 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats,

22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³Average for beginning of marketing year through October 1976. ⁴Corn, sorghum, oats, and barley. ⁵Less than 0.05. ⁶Season average estimate. ⁷Upland and extra long staple. ⁸Based on Census Bureau data. ⁹Includes imports. ¹⁰Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution.

Feed grains:

	Marketing year ¹			1975	1976					
	1973/74	1974/75	1975/76	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Corn, No. 2 yellow,										
Chicago (\$/bu.)	2.95	3.12	2.75	2.74	2.84	2.96	2.96	2.87	2.77	2.50
Sorghum, No. 2 yellow,										
Kansas City (\$/cwt.)	4.64	5.01	4.46	4.53	4.49	4.66	4.73	4.29	4.27	3.88
Barley, feed, Minneapolis										
(\$/bu.) ²	2.03	2.58	2.38	2.83	2.50	2.52	2.45	2.48	2.68	2.46
Barley, malting, Minneapolis										
(\$/bu.) ²	2.67	4.16	3.52	3.83	3.22	3.55	3.59	3.37	3.24	3.22
Exports:										
Corn (mil. bu.)	1,243	1,149	1,711	134	154	161	139	122	111	⁴ 168
Feed grains (mil. short tons) ³	44.5	39.4	55.1	43	4.6	4.8	4.6	4.2	4.0	⁴ 5.5

	Marketing year ¹			1975			1976			
	1973/74	1974/75	1975/76	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Corn:										
Stocks, beginning (mil. bu.)	709	483	359	2,214	1,492	359	4,431	2,812	1,853	399
Domestic use:										
Feed (mil. bu.)	4,183	3,191	3,553	458	668	1,130	1,099	555	769	—
Food, seed, ind. (mil. bu.)	448	450	465	86	147	112	115	85	153	—
Feed grains: ³										
Stocks, beginning (mil. short tons)	33.9	23.7	16.8	76.3	51.2	29.3	152.0	95.3	62.6	29.8
Domestic use:										
Feed (mil. short tons)	153.3	115.6	127.4	15.6	24.7	41.2	39.1	19.2	27.2	—
Food, seed, ind. (mil. short tons)	17.6	17.7	18.1	3.8	5.6	4.1	4.3	3.8	5.8	—

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better. ³ Aggregated data for corn, sorghum,

oats and barley. Note change in oats and barley marketing year to June-May. ⁴ Based on inspections for export.

Food grains:

	Marketing year ¹			1975	1976					
	1973/74	1974/75	1975/76	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City										
(\$/bu.) ²	4.51	4.20	3.74	4.09	3.57	3.75	3.63	3.21	3.01	2.77
Wheat, DNS, Minneapolis (\$/bu.) ²	4.42	4.57	3.74	3.94	3.56	3.82	3.63	3.14	2.95	2.79
Flour, Kansas City (\$/cwt.)	10.30	10.19	9.25	10.11	8.71	8.84	n.a.	8.08	7.61	—
Flour, Minneapolis (\$/cwt.)	10.60	11.40	10.41	11.16	10.08	10.35	10.29	9.44	8.50	—
Rice, S.W. La. (\$/cwt.) ³	30.40	21.50	17.20	18.00	16.60	16.50	16.25	14.70	13.85	14.00
Wheat:										
Exports (mil. bu.)	1,217	1,018	1,173	127	73	73	90	120	117	—
Mill grind (mil. bu.)	551	538	574	54	49	48	49	54	52	—
Wheat flour production (mil. cwt.)	247	239	255	24	21	21	22	24	23	—

	Marketing year ¹			1975			1976			
	1973/74	1974/75	1975/76	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Wheat:										
Stocks, beginning (mil. bu.)	599	339	430	662	430	1,891	1,384	936	664	2,163
Domestic use:										
Food (mil. bu.)	530	521	559	89	186	144	140	89	188	—
Feed and seed (mil. bu.) ⁴	221	169	170	-7	59	21	61	29	42	—
Exports (mil. bu.)	1,217	1,018	1,173	150	429	343	247	154	399	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary Protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by

residual. Note change in wheat marketing year to June-May. n.a.—not available.

Fats and oils:

	Marketing year ¹			1975	1976					
	1973/74	1974/75	1975/76	Oct	May	June	July	Aug	Sept	Oct
Soybeans:										
Wholesale price, No. 1										
yellow, Chicago (\$/bu.)	6.12	6.33	5.25	4.97	5.21	6.25	6.64	6.30	6.59	6.23
Crushings (mil. bu.)	821.3	701.3	865	71.4	79.6	74.6	70.6	64.2	68.8	—
Processing margin (\$/bu.) ²	.72	.15	.16	.34	.11	.15	.26	.18	.19	—
Exports (mil. bu.)	539.1	420.7	555	62.7	49.5	47.2	29.2	24.3	22.2	—
Soybean oil:										
Wholesale price, crude,										
Decatur (cts./lb.)	31.5	30.7	18.3	21.4	15.8	17.6	20.9	20.4	22.5	20.7
Production (mil. lb.)	8,994.7	7,376.2	9,630	783.9	869.8	813.9	788.7	720.5	765.9	—
Domestic disappearance										
(mil. lb.)	7,255.4	6,518.5	³ 7,961	728.4	657.1	569.3	751.9	605.5	648.8	—
Exports (mil. lb.)	1,435.2	1,028.3	976	43.8	161.2	74.6	77.8	45.2	155.6	—
Stocks, beginning (mil. lb.)	515.5	793.5	561	560.6	1,060.9	1,108.6	1,274.5	1,229.9	1,294.6	1,254.2
Soybean meal:										
Wholesale price, 44%										
protein, Decatur (\$/ton)	146.35	130.86	147.77	133.70	152.25	187.90	193.90	173.30	179.20	169.60
Production (thou. ton)	19,674.4	16,701.5	20,753	1,700.5	1,890.8	1,771.8	1,670.3	1,556.1	1,644.4	—
Domestic disappearance										
(thou. ton)	13,766.3	12,501.3	³ 15,611	1,383.3	1,403.7	1,382.9	1,248.9	1,175.9	1,278.9	—
Exports (thou. ton)	5,547.6	4,298.8	5,145	270.2	380.1	474.8	384.3	435.2	342.0	—
Stocks, beginning										
(thou. ton)	183.2	507.3	358	358.3	358.8	462.8	369.8	406.9	350.4	355.1
Margarine, wholesale price,										
Chicago (cts./lb.)	30.2	44.3	37.9	36.0	30.8	30.0	31.8	30.0	32.0	32.0

¹ Beginning September 1 for soybeans; October 1 for soy meal basis, Illinois shipping points. ² Includes shipments to U.S. and oil; calendar year 1973, 1974 and 1975 for margarine. ³ Spot Territories.

Fruit:

	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Wholesale price indexes:										
Fresh fruit (1967=100)	137.4	164.1	154.5	141.1	152.7	149.9	158.7	155.6	181.9	184.6
Dried fruit (1967=100)	255.6	216.1	209.6	213.9	210.3	211.9	214.9	217.1	218.9	244.4
Canned fruit and juice (1967=100)	148.1	175.1	170.3	172.5	171.2	173.5	174.9	177.3	178.5	179.8
Frozen fruit and juice (1967=100)	141.4	155.1	160.9	159.9	161.9	161.9	152.3	152.3	152.3	152.5
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	6.11	6.07	n.a.	n.a.	n.a.	9.54	8.42
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	6.50	n.a.	n.a.	n.a.	n.a.	n.a.	6.50
Oranges, U.S. avg. (\$/box)	6.62	6.45	6.27	6.49	5.93	6.43	7.00	6.99	7.35	7.86
Grapefruit, U.S. avg. (\$/box)	5.26	6.36	5.73	5.74	6.00	6.26	6.38	7.17	7.15	8.48
Stocks, beginning:										
Fresh apples (mil. lb.)	2,074.2	2,214.1	2,569.3	1,027.8	778.7	433.3	174.0	53.0	11.0	302.8
Fresh pears (mil. lb.)	128.6	170.5	162.2	453.0	35.7	10.9	.3	58.4	148.8	239.0
Frozen fruit (mil. lb.)	516.3	607.3	558.3	591.4	338.4	331.9	379.5	470.1	501.9	514.8
Frozen fruit juices (mil. lb.)	853.4	883.0	970.5	1,074.7	1,352.8	1,469.4	1,604.5	1,472.6	1,317.3	1,103.5

¹ Red Delicious, regular storage, Washington extra fancy, carton tray pack. 80-125's. ² D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

Cotton:

	Marketing year ¹			1975	1976					
	1973/74	1974/75	1975/76	Oct	May	June	July	Aug	Sept	Oct
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	67.1	41.7	58.0	50.4	62.1	72.7	78.7	73.2	72.3	77.0
Northern Europe prices:										
Index (cts./lb.) ³	76.3	52.5	65.3	55.7	70.4	79.8	88.3	84.9	83.9	86.8
U.S., SM 1-1/16 in. (cts./lb.) ⁴	78.3	56.4	71.4	64.8	75.4	83.2	87.5	83.8	83.6	89.4
U.S. mill consumption (thou. bales)	7,448.4	5,833.7	7,227.7	709.5	570.8	717.0	462.0	539.3	643.7	—
Exports (thou. bales)	6,123.0	3,925.9	3,311.3	234.9	341.0	327.9	287.4	284.7	357.1	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Vegetables:

	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	9.70	4.36	6.92	5.16	7.17	5.37	4.89	5.30	5.41	4.10
Iceberg lettuce (\$/ctrn.) ¹	2.70	2.54	3.08	2.64	2.33	2.99	4.99	4.12	4.01	4.94
Tomatoes (\$/ctrn.) ²	6.21	6.88	6.86	3.70	5.73	7.58	4.49	5.10	5.58	6.08
Wholesale price index, 10 canned veg. (1967=100)	132	171	156	167	158	156	156	158	166	166
Grower price index, fresh commercial veg. (1967=100)	154	176	168	159	140	157	170	161	169	202

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Tobacco:

	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Prices at auctions:										
Flue-cured (cts./lb.)	—	—	—	10.50	—	—	98.7	108.7	119.0	112.9
Burley (cts./lb.)	91.8	106.3	92.6	—	—	—	—	—	—	—
Domestic consumption: ¹										
Cigarettes (bil.)	295.2	289.3	320.1	58.9	50.4	58.4	44.0	54.1	52.4	—
Large cigars (mil.)	2,437	2,284	2,147	581.9	433.5	475.5	394.9	465.2	485.3	—

¹ Taxable removals.

Sugar:

	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Wholesale price, N.Y. (\$/cwt.) ¹	19.40	27.67	15.44	15.45	15.97	14.40	14.59	11.32	9.80	10.65
U.S. deliveries (thou. short tons) ^{1 2}	5,668	4,337	5,301	909	927	993	979	1,034	³ 1,048	³ 860

¹ Raw value. ² Excludes Hawaii. ³ Preliminary.

GENERAL ECONOMIC DATA

Gross national product and related data

Items	First Half			1974		1975				1976		
	1974	1975	1976	IV	I	II	III	IV	I	II	III ^p	
\$ Bil. (Quarterly data seasonally adjusted at annual rates)												
Gross national product ¹	1,386.0	1,464.2	1,655.7	1,449.2	1,446.2	1,482.3	1,548.7	1,588.2	1,636.2	1,675.2	1,708.4	
Personal consumption expenditures	866.0	946.8	1,054.2	911.1	933.2	960.3	987.3	1,012.0	1,043.6	1,064.7	1,088.5	
Durable goods	120.6	124.6	153.2	117.4	122.1	127.0	136.0	141.8	151.4	155.0	157.6	
Nondurable goods	366.2	400.1	432.0	388.5	394.4	405.8	414.6	421.6	429.1	434.8	441.8	
Clothing and shoes	64.6	68.0	73.4	65.0	66.6	69.3	71.3	73.0	73.5	73.2	75.9	
Food and beverages	184.0	205.5	221.2	198.0	203.2	207.8	211.8	215.2	219.2	223.1	225.2	
Services	379.2	422.0	469.0	405.2	416.7	427.4	436.7	448.6	463.2	474.9	489.1	
Gross private domestic investment	217.6	168.4	234.4	211.5	172.4	164.4	196.7	201.4	229.6	239.2	247.0	
Fixed investment	204.8	194.4	219.0	201.7	194.6	194.3	198.6	205.7	214.7	223.2	231.9	
Nonresidential	147.0	146.9	155.6	151.9	148.0	145.8	146.1	148.7	153.4	157.9	163.0	
Residential	57.8	47.6	63.3	49.8	46.6	48.6	52.6	57.0	61.3	65.3	68.9	
Change in business inventories	12.8	-26.1	15.4	9.7	-22.2	-30.0	-2.0	-4.3	14.8	16.0	15.1	
Net exports of goods and services	9.4	19.7	8.8	8.1	15.0	24.4	21.4	21.0	8.4	9.3	3.4	
Exports	137.7	145.2	157.2	153.8	147.5	142.9	148.2	153.7	154.1	160.3	166.3	
Imports	128.2	125.5	148.4	145.7	132.5	118.5	126.8	132.7	145.7	151.0	162.9	
Government purchases of goods and services	293.0	329.4	358.4	318.5	325.6	333.2	343.2	353.8	354.7	362.0	369.6	
Federal	107.5	121.4	130.2	118.1	120.3	122.4	124.6	130.4	129.2	131.2	134.5	
State and local	185.5	208.1	228.2	200.4	205.3	210.9	218.6	223.4	225.5	230.9	235.0	
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)												
Gross national Product	1,225.6	1,169.1	1,253.2	1,191.7	1,161.1	1,177.1	1,209.3	1,219.2	1,246.3	1,260.0	1,271.7	
Personal consumption expenditures	761.8	761.0	804.6	748.1	754.6	767.5	775.3	783.9	800.7	808.5	815.7	
Durable goods	115.0	107.2	124.8	103.1	106.0	108.4	115.1	118.0	124.3	125.2	126.2	
Nondurable goods	304.6	303.9	316.1	299.8	300.6	307.2	306.8	309.5	314.6	317.6	318.9	
Clothing and shoes	59.7	59.8	63.0	57.3	58.6	61.0	62.1	63.4	63.3	62.6	63.8	
Food and beverages	146.8	149.8	156.5	147.1	148.5	151.2	150.4	151.9	155.3	157.7	158.6	
Services	342.4	349.9	363.8	345.1	348.0	351.8	353.4	356.4	361.8	365.8	370.6	
Gross private domestic investment	191.4	127.8	169.4	169.1	129.3	126.2	148.7	147.0	167.1	171.7	175.2	
Fixed investment	181.0	148.6	158.6	161.1	149.8	147.4	149.7	152.5	156.7	160.6	165.0	
Nonresidential	132.6	112.5	113.8	121.8	114.4	110.6	110.1	110.5	112.6	114.9	117.9	
Residential	48.4	36.1	44.9	39.3	35.4	36.8	39.6	41.9	44.1	45.7	47.4	
Change in business inventories	10.4	20.8	10.8	8.0	-20.5	-21.2	-1.0	-5.5	10.4	11.1	10.2	
Net exports of goods and services	16.6	22.2	16.3	17.7	20.1	24.3	22.8	23.1	16.6	16.0	15.3	
Exports	98.2	89.0	94.5	95.9	90.3	87.7	90.7	93.9	93.6	95.4	97.5	
Imports	81.6	66.8	78.2	78.2	70.2	63.4	67.9	70.8	77.0	79.4	82.2	
Government purchases of goods and services	255.8	258.1	262.8	256.9	257.1	259.1	262.4	265.2	261.9	263.6	265.5	
Federal	95.0	95.0	95.7	95.4	94.8	95.3	95.6	97.2	95.4	96.0	97.3	
State and local	160.8	163.0	167.2	161.5	162.2	163.8	166.9	168.0	166.6	167.7	168.2	
New plant and equipment expenditures	109.34	113.52	116.42	116.22	114.57	112.46	112.16	111.80	114.72	118.12	122.96	
Implicit price deflator for GNP (1972=100)	113.10	125.24	132.12	121.60	124.55	125.93	128.07	130.27	131.29	132.96	134.34	
Disposable income (\$bil.)	959.0	1,056.0	1,160.0	1,015.8	1,023.8	1,088.2	1,091.5	1,119.9	1,147.6	1,172.5	1,190.2	
Disposable income (1972 \$bil.)	843.6	848.8	885.4	834.0	827.9	869.7	857.1	867.5	880.4	890.5	892.0	
Per capita disposable income (\$)	4,533	4,956	5,401	4,779	4,809	5,102	5,105	5,227	5,347	5,455	5,526	
Per capita disposable income (1972 \$)	3,988	3,984	4,123	3,923	3,889	4,078	4,009	4,049	4,103	4,143	4,142	
U.S. population, tot. incl. military												
abroad (mil.)	211.6	213.1	214.8	212.6	212.9	213.3	213.8	214.2	214.6	214.9	215.3	
Civilian population (mil.)	209.3	210.9	212.6	210.4	210.7	211.1	211.6	212.1	212.5	212.8	213.2	

See footnotes at end of next table.

Selected monthly indicators

Items	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Monthly data seasonally adjusted except as noted										
Industrial production, total ²										
(1967=100)	130.4	113.7	128.2	122.2	129.6	130.1	130.7	131.3	131.0	130.4p
Manufacturing (1967=100)	130.7	111.8	128.0	121.2	129.6	130.2	131.0	131.7	131.0	130.0p
Durable (1967=100)	126.6	106.2	119.5	112.7	121.7	122.3	124.2	125.0	123.6	122.2p
Nondurable (1967=100)	136.6	119.9	140.2	133.6	140.9	141.3	141.1	141.3	141.8	141.3p
Leading economic indicators ^{1 3}										
(1967=100)	117.1	94.2	107.0	102.7	108.0	109.2	109.5	108.7	107.9	—
Employment ⁴ (Mil. persons)	85.9	84.4	87.0	85.2	87.7	87.5	87.9	88.0	87.8	87.8
Unemployment rate ⁴ (%)	5.1	8.4	7.5	8.6	7.3	7.5	7.8	7.9	7.8	7.9
Personal income ¹ (\$bil. annual rate)	1,123.2	1,216.7	1,346.6	1,290.8	1,362.9	1,370.4	1,380.8	1,385.5	1,391.7	1,401.9p
Hourly earnings in manufacturing ^{4 5} (\$) .	4.28	4.72	5.08	4.90	5.12	5.15	5.20	5.21	5.30	5.29p
Money stock (daily average) ² (\$bil.)	274.6	285.2	299.7	293.4	303.5	303.2	304.9	306.4	306.3	310.0p
Time and savings deposits (daily average) ² (\$bil.)	383.6	429.9	459.2	443.3	460.4	465.9	470.0	468.7	472.5	477.9p
Three-month Treasury bill rate ² (%)	7.934	5.637	5.061	6.081	5.185	5.443	5.278	5.153	5.075	4.930p
Aaa corporate bond yield (Moody's) ^{5 6} (%)	8.13	8.79	8.54	8.86	8.58	8.62	8.56	8.45	8.38	8.32
Interest rate on new home mortgages ^{5 7} (%)	8.67	9.06	8.94	9.01	8.97	8.89	8.97	9.02	9.08	9.08p
Housing starts, private (including farm) (thou.)	1,550	1,015	1,419	1,431	1,422	1,510	1,382	1,537	1,858	1,792p
Auto sales at retail, total ¹ (mil.)	9.2	8.2	10.2	9.1	10.2	10.0	10.1	10.5	9.9	—
Business sales, total ¹ (\$bil.)	159.9	162.8	184.8	174.8	186.3	189.0	188.3	189.7	188.8p	—
Business inventories, total ¹ (\$bil.)	234.7	267.5	270.5	268.2	275.2	278.9	280.5	282.9	285.5p	—

¹Department of Commerce. ²Board of Governors of the Federal Reserve System. ³Composite index of 12 leading indicators. ⁴Department of Labor, Bureau of Labor Statistics. ⁵Not seasonally

adjusted. ⁶Moody's Investors Service. ⁷Federal Home Loan Bank Board. p. Preliminary.

TRANSPORTATION DATA

Rail rates and grain shipments

	January-June			1975	1976					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
Rail freight rate index ¹										
All products (1969=100)	141.4	160.8	183.9	180.2	187.1	187.4	187.4	187.5	187.6	191.1
Farm products (1969=100)	136.4	155.9	179.9	175.8	183.2	183.3	183.3	183.6	183.6	187.5
Food products (1969=100)	140.8	160.1	183.3	179.1	186.1	186.3	186.2	186.2	186.5	189.4
Rail carloadings of grain (thou. cars) ²	28.6	22.3	24.1	34.4	21.2	28.7	30.4	28.0	26.1	29.1
Barge shipments of grain (mil. bu.) ³	18.1	18.7	31.0	33.9	38.1	33.9	30.1	23.4	27.7	33.7

¹Department of Labor, Bureau of Labor Statistics. ²Weekly average; from Association of American Railroads. ³Weekly average; from Agricultural Marketing Service, USDA.

U.S. AGRICULTURAL TRADE

Prices of principal U.S. agricultural trade products

Items	January-June			1975		1976				
	1974	1975	1976 ¹	Oct	May	June	July	Aug	Sept	Oct
Export commodities:										
Wheat, f.o.b. Gulf ports (\$/bu.)	4.93	3.93	4.02	4.46	3.87	3.99	3.87	3.47	3.31	3.07
Corn, f.o.b. Gulf ports (\$/bu.)	3.07	3.12	2.96	3.13	3.04	3.14	3.16	3.00	3.04	2.79
Grain sorghum, f.o.b. Gulf ports (\$/bu.) . .	2.72	2.92	2.79	3.04	2.79	2.78	2.85	2.77	2.80	2.58
Soybeans, f.o.b. Gulf ports (\$/bu.)	6.13	5.93	5.30	5.44	5.52	6.43	7.07	6.59	6.96	6.53
Soybean oil, Decatur (cts./lb.)	30.70	27.90	16.46	21.40	15.77	17.62	20.87	20.35	22.46	20.73
Soybean meal, Decatur (\$/ton)	134.25	120.93	142.66	127.65	152.25	187.90	193.90	173.30	179.20	169.60
Cotton, 10 market avg. spot (cts./lb.)	63.97	39.21	60.27	50.38	62.07	72.74	78.73	73.25	72.26	76.98
Tobacco, avg. price of auction (cts./lb.) . .	87.80	105.70	100.63	106.20	100.90	100.90	98.70	108.70	119.00	112.90
Rice, f.o.b. mill, Houston (\$/cwt.)	33.31	22.32	17.33	19.25	17.00	16.60	16.40	15.50	14.50	14.75
Inedible tallow, Chicago (cts./lb.)	17.30	11.13	13.20	13.21	12.94	13.50	14.03	13.10	13.12	13.00
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	72.12	70.55	123.30	93.50	141.90	148.10	148.30	145.00	151.00	155.90
Sugar, N.Y. spot (cts./lb.)	19.40	27.67	15.45	15.45	15.97	14.40	14.59	11.32	9.80	10.65
Cow meat, f.o.b. port of entry (cts./lb.) . .	78.40	56.08	75.27	69.54	80.55	72.49	69.41	71.60	70.83	64.79
Rubber, N.Y. spot (cts./lb.)	47.00	29.40	38.09	29.70	40.70	42.70	40.70	40.65	40.07	42.28
Cocoa beans, N.Y. spot (cts./lb.)	92.40	75.40	86.40	n.a.	96.30	107.00	107.00	114.20	128.60	138.20
Bananas, f.o.b. port of entry (\$/40-lb. box)	3.13	4.62	4.79	4.30	5.07	4.80	4.69	4.82	4.68	4.80
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.36	1.60	1.76	1.93	1.70	1.68	1.68	1.72	1.74	1.78
Quantity Indices										
Export (1967=100)	164	149	172	188	170	167	161	158	160	n.a.
Import (1967=100)	126	116	142	145	129	154	135	133	138	n.a.
Unit Value Indices										
Export (1967=100)	215	229	204	214	205	205	210	210	211	n.a.
Import (1967=100)	179	231	202	191	215	222	235	241	238	n.a.

n.a. not available.

Trade balance

Items	July-September		September	
	1975	1976	1975	1976
\$ Mil.				
Agricultural exports ¹	4,741	5,356	1,609	1,797
Nonagricultural exports ²	20,272	21,957	6,744	7,362
Total exports ²	25,013	27,313	8,353	9,159
Agricultural imports ³	2,395	2,804	945	914
Nonagricultural imports ⁴	21,365	28,882	7,273	9,578
Total imports ⁴	23,760	31,686	8,218	10,492
Agricultural trade balance	2,346	2,552	664	883
Nonagricultural trade balance	-1,093	-6,925	-529	-2,216
Total trade balance	1,253	-4,373	135	-1,333

¹ Domestic exports including Department of Defense shipments, (F.A.S. value). ² Domestic and foreign exports excluding Department

of Defense shipments, (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

U.S. agricultural exports

Selected commodities	July-September				September			
	1975	1976	1975	1976	1975	1976	1975	1976
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	22,624	38,075	—	—	8,326	12,864
Meat and preps., excl. poultry (lb.) . . .	166,503	199,384	117,465	136,389	54,870	73,871	37,244	49,561
Dairy products, excl. eggs	—	—	26,572	38,260	—	—	7,652	8,491
Poultry and poultry products	—	—	41,850	69,594	—	—	13,983	22,129
Grains and preparations	—	—	2,615,840	2,858,249	—	—	932,216	914,741
Wheat and wheat flour (bu.)	344,828	323,486	1,451,463	1,257,891	127,989	116,408	550,796	431,929
Rice, milled (lb.)	637,136	1,443,207	119,591	186,017	163,891	319,658	32,737	44,933
Feed grains (metric ton)	7,989	11,470	997,347	1,366,007	2,649	3,589	333,373	423,705
Other	—	—	47,439	48,334	—	—	15,310	14,174
Fruits, nuts, and preparations	—	—	224,536	255,427	—	—	78,132	90,855
Vegetables and preparations	—	—	88,137	126,144	—	—	28,747	42,309
Sugar and preps., incl. honey (lb.)	250,778	97,180	48,894	19,072	73,993	31,717	14,810	5,875
Coffee, tea, cocoa, spices, etc. (lb.) . . .	25,548	18,503	30,290	21,947	10,698	6,532	13,150	8,328
Feeds and fodders	—	—	218,741	323,799	—	—	72,122	103,486
Protein meal (short ton)	956	1,217	143,274	212,687	288	369	42,911	65,987
Beverages, excl. distilled alcoholic (gal.) .	3,048	2,006	4,770	3,881	1,426	715	1,975	1,470
Tobacco, unmanufactured (lb.)	109,177	109,646	161,790	173,025	45,494	48,948	67,189	80,246
Hides, skins, and furskins	—	—	79,735	145,184	—	—	29,524	49,959
Oilseeds	—	—	573,140	518,463	—	—	159,494	159,372
Soybeans (bu.)	88,732	75,705	531,509	491,629	24,274	22,186	145,198	151,473
Wool, unmanufactured (lb. grease basis) .	4,268	1,346	5,806	4,354	1,207	835	2,258	2,724
Cotton, unmanufactured (running bale) .	990	946	246,641	283,692	277	360	68,648	116,142
Fats, oils, and greases (lb.)	333,945	627,763	59,792	107,269	102,907	199,411	19,398	34,268
Vegetable oils and waxes (lb.)	318,607	487,585	101,205	131,244	84,353	215,078	29,771	56,847
Rubber and allied gums (lb.)	9,570	11,043	5,434	5,473	2,918	4,503	1,711	2,119
Other	—	—	69,347	95,549	—	—	23,433	35,101
Total	—	—	4,742,609	5,355,090	—	—	1,609,783	1,796,887

U.S. agricultural trade

Item	Year beginning October 1						
	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77
	\$ Bil.						
Agricultural:							
Exports	7.96	8.24	14.98	21.61	21.85	22.76	23.0
Imports	6.13	5.94	7.74	10.06	9.47	10.51	12.0
Trade balance	1.83	2.30	7.24	11.55	12.38	12.25	11.0

U.S. agricultural exports by regions

Region ¹	July-September		September		Change from year-earlier	
	1975	1976	1975	1976 ²	July-September 1976	September 1976
	\$ Mil.				Pct.	
Western Europe	1,456	1,590	492	574	+9	+17
Enlarged European Community	1,204	1,292	397	482	+7	+21
Other Western Europe	252	298	95	92	+18	-3
Eastern Europe and USSR	326	508	128	151	+56	+18
USSR	231	223	98	45	-3	-54
Eastern Europe	95	285	29	105	+200	+262
Asia	1,705	1,979	566	646	+16	+14
West Asia	206	232	69	68	+13	-1
South Asia	291	315	78	130	+8	+67
Southeast Asia, ex. Japan and PRC	478	594	178	210	+24	+18
Japan	730	838	241	238	+15	-1
Peoples Republic of China	—	(²)	—	(²)	—	—
Latin America	504	466	172	122	-8 ²	-29
Canada, excluding transshipments	329	371	110	133	+13	+21
Canadian transshipments	127	87	62	46	-31	-26
Africa	267	322	70	111	+21	+59
North Africa	173	178	50	66	+3	+32
Other Africa	94	144	20	45	+53	+125
Oceania	27	31	10	13	+15	+30
Total ³	4,743	5,355	1,610	1,797	+13	+12

¹ Not adjusted for transshipments. ² Less than \$50,000. ³ Totals may not add due to rounding.

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